PO-CH/NL/0262

Pork A.

# CONFIDENTIAL

(Circulate under cover and notify REGISTRY of movement)

Begins: 2/6/87. Ends: 30/11/87.

MANAGEMENT - IN - CONFIDENCE



Chancellor's (Lawson) Papers

INDUSTRIAL ACTION IN CIVIL SERVICE DEPARTMENTS

Disposal Riverions: 28 Years

29/9/95.

D A TRUMAN From: 2 June 1987 Date:

cc:

PS/Minister of State Sir P Middleton

Mr Kemp Mr Luce

Mr Gilhooly Mr Pettifer

Mr Woodall

CPSA AND JOHN MACREADIE

PS/CHANCELLOR

You have probably seen press reports that, after what has been another disputed ballot, John Macreadie has been elected Deputy General Secretary of the CPSA by the quite substantial margin of 6,000 votes. Mr Macreadie, of course, is a full-time employee of the Union and his post is an important one. If the practice his predecessor is followed, he will participate in a number of Council of Civil Service Union teams negotiating with the central departments on a range of issues although, generally speaking, these should exclude major pay arrangements. He will represent the CPSA's interest in various bilateral negotations with the central departments.

The extent of John Macreadie's power will depend very much on 2. the complexion of the new National Executive Committee - the ballot result for which has yet to be announced. If, as press reports have it, there has been a swing to the hard left, the moderate leadership of John Ellis and Mrs Chambers may find itself isolated and the union will be pressing for the radical policies endorsed by conference - see extract from today's FT. almost goes without saying that Mr Macreadie's arrival (which will not be welcomed by the other Civil Service leaders) plus support from his executive committee will make industrial relations in the civil service more difficult. There will be less inclination (if any) to take a pragmatic view of events and, if he can gain control of the National Disputes Committee, there may well be more pressure for industrial action - the attached extract from a recent edition of Militant shows Mr Macreadie's willingness to endorse industrial (and political) action. He can be expected to exploit grievances in the Civil Service and to take industrial action as part of his perception of fighting the class war.

3. The Cabinet Office are considering the security aspects of Mr Macreadie's election - my understanding is that they are likely to take the view that he should be accepted at face value and that the only constraints will be the normal arrangements for ensuring that he does not have access to sensitive information and is properly escorted around "secure" buildings like the Cabinet Office.

D A TRUMAN

# CPSA post for Militant supporter Macreadie

By Mani Deb

MILITANT TENDENCY supporter Mr John Macreadie was yesterday elected deputy general secretary of the Civil and Public Services Association, the largest Civil Service union.

His victory coincided with what is believed to be a marked shift to the left in the union's 29-member executive, although the announcement of these results was further delayed amid controversy and allegations of vote "rigging."

The centre-right ran three candidates, but Mr Macreadie beat their highest placed runner, Mr Terry Ainsworth, by about 6,000 votes.

Mr Macreadie, who lost the post of general secretary to Mr John Ellis after a re-run ballot last year, said his victory reflected the mood of the CPSA members, "who want change in the Civil Service and a strong union to fight for jobs, decent wages and conditions."

He saw no problem in working with Mr Ellis and other officials so long as they carried out the policy of the members and the union conference.

Mr Ellis said the results of the executive elections would be delayed by a day as he wanted some points clarified by the returning officers, the accounting firm Hard Dowdy.

At the bottom end of the ballot for executive seats the difference in votes cast had been small. "If there are queries about certain aspects like late papers, they can change these results. I need to discuss it with the returning officer," Mr Ellis said.

The results in full are: Mr Macreadie 22,399 votes, Mr Ainsworth 16,524, Ms Veronica Bayne (non-Militant Left) 11,584, Ms Pat Wormsley (Democratic Moderate) 8,530, Mr Peter Desmond-Thomas (independent Democratic Moderate) 3,703,

# Industrial Reports

# Vote to step up fight for civil service pay

CPSA AND SCPS members are balloting during 27 May to 3 June for further industrial action on their 1987 pay, jobs and services campaign.

Members are to be asked to continue the overtime ban and the policy of non-cooperation; support a two-day national strike on 8 and 9 June, followed by two-day strikes on 18 and 19 June in Scotland, Northern Ireland and the north east; 25 and 26 June in London, the Eastern counties and the south; and 2 and 3 July in Wales, the north west, Yorkshire and the Midlands.

A repeat of this action, or escalation to an all-out strike is also contained in the ballot paper for subsequent action if no settlement has been reached.

Balloting follows the breakdown of negotiations with the Treasury on 18/19 May. The Treasury on behalf of the Tory government refused to increase 4.6 per cent offer from 1 April, offered extra money in the context of further negotiations on

a long-term pay system, embracing regional pay, performance related pay, flexible starting pay rates and extra money for certain jobs.

The unions correctly rejected these divide and rule tactics, which would do nothing to solve the severe hardship and poverty faced by increasing numbers of civil servants.

It is important that CPSA and SCPS members vote to continue the fight and do not surrender to the Tories. The majority of CPSA activists and many members in the CPSA and SCPS are bitterly disappointed at the refusal of the union conferences to move to an all-out strike, however the programme before members must nevertheless be supported and a massive vote worked for.

# National strike

The national strike will show members their immense bargaining power and build the necessary unity and cohesion in the union. It will also serve as a final warning to the



John Macreadie.

Tories of the anger and determination of the civil servants to secure decent living standards and defend their jobs and services to claimants and the public.

The SCPS, CPSA leadership say that the "Time is not right." The BL84 grouping have argued that this new phase of action will succeed and anyway that they needed extra time to prepare for an all-out strike should it be necessary. Militant sup-

porters and the Broad Lefts in the two unions will work to make this new phase of action a success.

At a packed pay rally in Liverpool on Thursday 21 May, John Macreadie told a cheering audience, "To win this campaign we need to do two things. Firstly vote yes for industrial action. We must have confidence in our ability and our power and must be prepared to struggle to defend our living standards, jobs and services.

"Secondly we must vote Labour and campaign amongst our families, friends and in our communities for a Labour victory. No civil servant should vote to re-elect this rotten Tory employer. Our campaign must be taken into every constituency and election meeting and all politicians must be told that they will have to settle this dispute before they can hope to run the civil service."

# By Steve Iron

(Customs and Excise, Liverpool, personal capacity)

prop

FROM: E P KEMP
DATE: 4 June 1987

PRINCIPAL PRIVATE SECRETARY

cc PS/Chief Secretary
PS/Minister of State
Sir Peter Middleton - or
Mr F E R Butler - or
Mr Anson

Mr Luce Mr Culpin Mr Gilhooly Mr Truman

# CIVIL SERVICE UNION ELECTIONS/PAY DISPUTE

I spoke to you about the request from the Cabinet Office for a very quick note on the position in the CPSA etc. We put this together very quickly and it has now been delivered to No 10 via Sir Robert Armstrong. You and others may like to have the attached copy.

2. As you will see, the results for the ballots for further industrial action by the Society and the CPSA are to be declared today. I think the Chancellor ought to send a note round to his colleagues about the position, when we know what these results are (they are virtually certain to give a mandate for further action) so that they know what the position is and they know what to expect next week. We will let you have this draft either later this evening or first thing tomorrow.

Sth

E P KEMP



#### Facts

As reported. New Executive made up of 18 militant, 2 soft left and 8 moderates, compared with previously 7 militant, 3 soft left and 19 moderate. President and Senior Vice President survived among the moderates. Also Macreadie, militant, elected Deputy General Secretary; Macreadie lost General Secretaryship last year after disputed and rerun ballot. Ellis (moderate) present General Secretary.

- 2. Lowish turnout. But still suspicions of irregularities, which union members (not the Government) could take to court.
- 3. Ellis blames result in part on membership apathy and effectiveness of militant in getting their supporters to the polls.
- 4. CPSA have negotiating rights for about 200,000 lower paid civil srvants, or about 2/5ths of the total non-industrial Civil Service. The total in membership in the Civil Service is thought to be about 140,000.

# Present dispute

- 5. CPSA, Society and NIPSA (Norther Ireland Public Service Alliance) had 6 week rolling strike over current pay offer (basically 4½ per cent or £5.75 per week, whichever is greater, worth 4.6 per cent overall, plus worth while additions for a number of individuals). Currently balloting on another round of strike action. NIPSA has voted against this. Society and CPSA to declare results of ballots today; expected there will be a majority for further action.
- 6. This action expected to take the form initially of demonstrations and strike action on Monday and Tuesday of next week hopefully (from the unions point of view) on an "all out basis". Object is to keep the dispute in the public eye in the run up to the Election, with the

hea of getting early Ministerial attention fixed on it after the Election. Remains to be seen how effective such action will be next week; rather similar action in the first round of strikes was not very effective, though it attracted quite a lot of media coverage.

# Link between current strike action and militant election

7. No direct link. But unions likely to claim that both stem from perception of poor treatment by Government of Civil Service in recent years (lowish pay settlements, privatsation, etc etc). The argument will run that negotiations and reason seems to have failed, so all the membership can do is take to industrial action or to vote for extremists representatives or both.

# Line to take

8. Deeply regret extremism in any union. CPSA particularly volatile with swings to and fro. No doubt will reverse again next year. Low poll carried out under union rules; sure great majority of members reject extremism. Particularly regret stated intention of new Executive to seek a political affiliation; civil servants must be ready to serve any Government and quite wrong that their unions should take a position. As for the strike, reasonable pay offer made, accepted by other unions; strike action only hurts the public and the civil servants themselves.

# CONFIDENTIAL

See para 7 in hores SR paturile: many hores SR paturile: many hores SR para may hores SR many hores

FROM: L J HARRIS

DATE: 15 JUNE 1987

Chancellor

Sir Peter Middleton

Mr Kemp

ches port

# INDUSTRIAL ACTION IN CUSTOMS AND EXCISE

# Summary

- Disruption of import and export traffic outside the wider Civil Service Trade unions rolling programme of industrial action has virtually collapsed. The strike of computer operators at Shoeburyness is scheduled to continue until 29 June, leading to delays in the collection of deferred duty and VAT on imports of £1.2 billion. Contingency plans have been made for collecting at leastpart of this amount if the strike continues beyond 29 June, but our judgment is that any attempt to implement these plans at an earlier stage would lead to an extension of the action, and potentially more serious long-term effects on the flow of revenue and on the timetable for the introduction of major Customs procedural changes ("Customs 88") on 1 January 1988.
- 2. The collection of VAT on domestic transactions has not so far been seriously affected by the action, but net repayments of VAT are being delayed.
- Passenger traffic has not been affected by the industrial action.

# International freight and postal traffic

4. All ports have been affected by the rolling programme of two day strikes, but the only major disruption outside that programme has been at Dover, where at the worst point delays of up to 20 hours developed as a result of lorry drivers being unable to have their EC export documents authenticated. A small management team working some 15 hours a day in the past week has managed to avoid severe congestion on exports and by Thursday 11 June had reduced waiting time to less than 2 hours while imports have been allowed to flow through with relaxed controls. A threat of joint action between Customs officers and lorry drivers has not materialised,

and by Thursday of last week the local unions at Dover had to all intents and purposes conceded defeat.

- Elsewhere, the indefinite strike at Northampton inland clearance depot continues, exposing the Department to the risk of criticism of unacceptable relaxation of controls on the drugs front, but without obstructing the flow of traffic. Limited action at other ports has caused some minor delays to traffic, but has been contained by management action. Scotland, north-east England and Northern Ireland are scheduled to take part in the rolling programme of strikes next Thursday and Friday, but with the exception of Teesport, where the staff are threatening action on Tuesday and Wednesday as well, we know of no longer term srikes being planned.
- As far as the two main postal depots for foreign traffic are concerned, Mount Pleasant returned to work this morning, the backlog having been contained by a relaxation of controls coupled with the use of dogs as a safeguard against drug smuggling. The London Overseas Mail Office, which deals with larger parcels, has a slight backlog but this has been stabilised, and no immediate action is planned to reduce it, since that could in our judgment lead to an escalation of the dispute and a consequent increase in delays.

# Computer staff

The three week strike by software support staff at Shoeburyness came to 7. an end as planned this morning. The strike by computer operators is due to continue until 29 June. This makes it impossible for us to collect the £1.2 bn of deferred import duty and VAT due on 15 June using our own computer facilities. A fallback plan using British Telecom's computers cannot now be put into operation before 6 July at the earliest. Implementing either that or the more limited plan for manual collection of the tax and duty debt of some £ 350m from the larger payers would be very likely to lead to the operators' strike being prolonged beyond 29 June. That in turn would put the collection of domestic VAT at risk, and would seriously jeopardise other computer projects, notably the introduction of the new Community import arrangements - "Customs 88" - on 1 January 1988. The official Treasury are not seriously perturbed by the cash flow position at the moment, and we have taken the view that the wisest course would be to take no action to implement the fallback procedures unless it becomes clear that disruption by the operators is likely to continue beyond the end of June.



8. I attach a note from Mr Howard on this.

L J HARRIS

# Internal circulation

CPS

Mr Bray

Mr Knox

Mr Crawford

Mr Howard

Mr Mechem

Mr Nash

# VAT publicity

Together with Inland Revenue, we had a meeting with the CBI and the Building Employers' Confederation on 12 June to hear their representations about the effect of the industrial action on the VAT repayment trader element of their membership. They raised two main points.

The first in effect amounted to a request for reassurance that Inland Revenue Collectors of Taxes would take an understanding attitude with those VAT repayment traders who are unable, because of the financial effects of the industrial action, to meet their PAYE liabilities on 19 June. They have been given assurances concerning sensible use of administrative discretion. They have also accepted the Revenue view that this must of necessity remain informal guidance which it would be for the associations to pass on unattributably to their members as they saw fit, since any public statement by the Revenue would risk a deleterious effect on compliance generally and serious disruption of work as in local collection offices.

Their second concern was that public assurances should be given by the Treasury or Customs and Excise that there will be no suspension of the repayable supplement payable under s20 FA 1985 at a flat rate of 5% on all repayments unreasonably delayed for more than 30 days by Customs and Excise. This, they argue, is needed to reassure both the members themselves and their bank managers (who may have been asked to provide additional borrowing facilities) and so to minimise the extent of offsetting delays in PAYE payments by financially embarrassed businesses.

We understand that the official Treasury will be providing advice in the next day or so about possible initiatives to end the dispute and against that background we do not think there should be any question of suspending repayment supplement (which would be highly

#### CONFIDENTIAL

controversial politically) at this time. Moreover, we are increasingly doubtful that the associations undoubtedly genuine concerns should cause us to recommend a further press statement at The potential eligibility for repayment supplement was covered in our previous Press Release of 26 May. To issue a further one now, when there is little of substance to add to the main news about the crippling effects of the industrial action. might only serve at the wrong psychological moment to encourage the Trade Union Side that their action was biting and that they should hold out for more. In short, we fear that a formal statement could jeopardise the chances of an orderly return to work when the present strike mandate runs out on 29 June. On balance, therefore, we, like the Revenue, would prefer to rely on informal guidance to the trade assocations concerned, bolstered in our case by reference back to the earlier Press Release. It goes without saying that if, in the event, the strike seems likely to extend beyond 29 June, we shall have to provide further advice about the prospects for continuation of both default surcharge and repayment supplement, and the publicity position will then fall to be considered as a secondary aspect of such advice.

15 June 1987

D J HOWARD

OK-

FROM: J PETTIFER
DATE: 18 June 1987

cc Mr Graham Pay 1

APS/CHANCELLOR

BRIEFING FOR HOME SECRETARY'S MEETING WITH DEPARTMENTAL TRADE UNION SIDE, 19 JUNE

You asked for a short note on the current pay situation for the above, though I understand the meeting is primarily concerned with equal opportunities. A contribution is attached, and has been agreed with Pay 1.

1. Alex

2 C/Home Secretary is making Unions tomorrow to tack about equal apportunities. Just incase it is revised, he asked for v short line to take on co pay.

Content?

CR 1816

JOHN PETTIFER
IRD

# CIVIL SERVICE PAY 1987

Offer is  $4\frac{1}{4}$  per cent or £5.75 per week, whichever is greater, plus other adjustments. Offer a fair one.

All unions have now settled except the CPSA and SCPS.

Regret that these two unions remain in dispute, particularly in the light of Government's preparedness to talk about new flexible pay structures and pay determination arrangements, which will yield benefits for management and union members alike. Very much hope that unions will think again about taking further industrial action, which can benefit no-one.



18/6/87

CC

Treasury Chambers, Parliament Street, SWIP 3AG Mr Truman Mr Graham

Chief Secretary
Paymaster General
Sir P Middleton
Mr F E R Butler
Mr Anson
Mr Kemp
Mr Luce
Mr Chivers
Mr Gilhooly
Mr Truman
Mr Graham
Mrs Harrop
Mr Woodall
Mr Cropper

#### PRIME MINISTER

## CIVIL SERVICE PAY DISPUTE

Earlier this week the two Civil Service unions still in dispute (the CPSA and the Society) approached my officials with suggestions for bringing an end to the current industrial action. We had already made clear that there was no question of increasing the basic offer, and the way through was to build on our earlier suggestions for new pay structures and pay determination arrangements. Some progress was made, at least with the CPSA, but it then became clear that the price the unions were looking for was too high, so that any such deal would have looked like a climb-down in the face of industrial action. My officials remain in touch with the unions but there is no agreement currently in sight.

The unions say that the industrial action will continue. All-out strikes are planned for Thursday and Friday of this week in Scotland and the North East, for 25 and 26 June in London and the South East, and for 1 and 2 July in Wales and the North West. There is also likely to be a continuation of the selective and local actions, for example at ports and computer centres. After the present round of industrial action the unions will have to take stock; their options will be to call it all off, to ballot for a further round of selective action, or to ballot for all-out action; the suggestions are that they will go for all-out action, but will amost certainly fail.

My view is that we should maintain the relatively low profile stance which we have taken since the dispute began. It may be

#### CONFIDENTIAL



necessary for some particular measures to be taken so that service to the public can be maintained and important developments can be kept on track. But that is something on which we shall have to take individual decisions, depending on the circumstances. My officials are in close touch with officials in other Departments.

There are however two measures which I propose we should take now. First, I think we should implement our pay offer. This will underline the fact that, so far as we are concerned, the pay side of the dispute is over and there is no more money to be had. It also seems right for us to do this now: if we move fast, most staff should get their additional pay by the end of July. It is absurd that the pay of 300,000 people, many of whom are not union members and many of whom voted against the industrial action, should be held up just because some 70,000 people have voted for industrial action. This will necessarily involve paying the increases to the strikers as well as the non-strikers, but I think this has to be accepted.

The second move I propose is on the automatic check-off of union dues. One further step - amendment of the Civil Service Code - is necessary to put us in a position where, if the industrial action does continue, we can stop check-off with effect from the end of July. I propose that we now take that step, so that if in the middle of July we are still in industrial action we have this weapon ready to use if we so decide.

Subject to your views and the views of colleagues I propose to instruct my officials to proceed accordingly on these two points.

There are also outstanding issues on London Weighting and the associated question of "geographical pay", and on helping to deal with recruitment and retention difficulties in London and the South East and other high cost areas. We have said publicly that we will bring forward proposals, but we have not so far done so because of

# CONFIDENTIAL



the continuation of the dispute. I shall circulate a paper on these topics shortly, which we can discuss at a future meeting of MISC 66.

I am copying this minute to the other members of the Cabinet, the Paymaster General, the Minister of State (Privy Council Office) and to Sir Robert Armstrong.

ML.

N.L.

18 June 1987





# Treasury Chambers, Parliament Street, SWIP 3AG 01-270 3000

19 June 1987

Colin Miller Esq PS/Home Secretary Home Office 50 Oueen Anne's Gate LONDON SW1H 9BW

Dear Coun,

BRIEFING FOR HOME SECRETARY'S MEETING WITH DEPARTMENTAL TRADE UNION SIDE - 19 JUNE

You asked for a short note on the current pay situation for the Home Secretary's meeting with the departmental trade union side today. This is attached.

Yours succeedy,

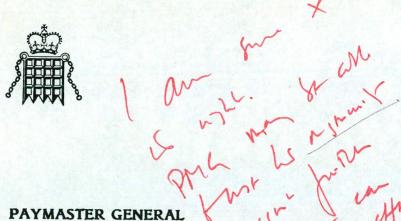
CATHY RYDING



Offer is 4% per cent or £5.75 per week, whichever is greater, plus other adjustments. Offer a fair one.

All unions have now settled except the CPSA and SCPS.

Regret that these two unions remain in dispute, particularly in the light of Government's preparedness to talk about new flexible pay structures and pay determination arrangements, which will yield benefits for management and union members alike. Very much hope that unions will think again about taking further industrial action, which can benefit no-one.



Board Room
H M Customs and Excise
King's Beam House
Mark Lane London EC3R 7HE

FROM: PHILIP NASH DATE: 19 JUNE 1987

cc Chancellor of the
Exchequer
Sir Peter Middleton
Mr Scholar

INDUSTRIAL ACTION AND EXPORTS

1. We have not thus far minuted you specifically on the subject of exports, which have been targeted by the Trade Unions since the beginning of the dispute and are increasingly a matter of concern and complaint from the trade, including port operators. Wide publicity in the media has been given to the effects of industrial action at the ports serving the mainland of Europe, particularly Dover. Since the ferries are continuing to run, the immediate reaction is to ask why Customs do not simply allow the vehicles to board the ferries and so avoid the build up of lorries at the ports. The answer is that for good reasons lorry drivers refuse to depart until their customs documentation is in order.

2. A lorry driver who intends to drive across member states of the Community is required to present an export declaration (the source document for export statistics) against which Community transit (CT) documents are authenticated. Authentication involves a comparison between the export declaration (which remains in the UK) and the CT documents (which travel with the lorry driver - except for one control copy which remains in the UK); the provision of a transit guarantee is checked. If all is in order a customs stamp is applied by the customs officer to the CT documents. The stamp is of a kind specified by the Commission in the relevant Community Regulation which has the force of law in all member states and the procedure as a whole is governed by this Regulation. The reason why lorry drivers will not board the ferries without an authenticated CT document and why we are unable to encourage them to do so, is that experience shows that they will make little, if any, progress across Europe without it.

# Can we involve the Commission?

- 3. You may recall that 2 or 3 years ago Italian customs officers took industrial action, which resulted in very long tailbacks of lorries. At that time the Commission did take some minor action to do with the belated presentation of documents in order to provide some relief.
- 4. Unfortunately the Italian experience cannot be interpreted as a reason for the UK to ask the Commission to issue an instruction suspending the requirements of the Community Regulation. It is most unlikely that they would be prepared to do so in response to industrial action in one member state. An argument which might be put to the Commission could be that the free circulation of goods is being seriously hampered simply by insistence upon a bureaucratic nicety, as the media might put it, although in fact the authentication procedure is fundamental to the CT system. Community transit documentation is the means by which the free circulation of goods within the Community is achieved. Unauthenticated CT documentation has no validity whatever, and to ask the Commission to agree to the acceptance of unauthenticated documents might be seen as tantamount to asking them to abandon the system altogether.
- 5. Even if the Commission were to agree to a temporary relaxation, it is by no means certain that all member states would comply. Some 85% of CT movements are for goods "in free circulation". The taxes at risk in these cases are national VAT and excise duties and these are protected by the CT guarantee. Member states might well ignore any relaxation and continue to apply the Regulation: the Commission could hardly take any action against member states in those circumstances. We conclude that an approach to the Commission would not be sympathetically received, nor would it lead to a solution to present difficulties.

# Action within the Department

6. Exports have continued to move because senior managers at Dover and elsewhere have been applying the necessary rubber stamps to CT documents. Given the pace at which a handful of staff have had to carry out this task in order to keep the traffic moving it cannot be said that they have been able to

check the documents before stamping them: they have simply stamped them. In this respect the Department is running a risk. It is virtually certain that errors or infringements which would in normal circumstances have been picked up by our staff experienced in this sort of work will have passed unnoticed. In the coming months we may expect to receive more queries from other member states than is normal (and complaints will probably be made via the Commission). We accept this risk and I mention it only because we think that in flouting the Regulation to this limited extent by allowing our senior staff to stamp CT documents "blind", we are doing all that we can to keep the lorries moving.

- 7. For the longer term we are looking at the possibility of setting up temporary offices away from the ports. The logistical, practical and legal issues which this proposition entails are such that it could not be put into effect quickly enough to offer a solution to the current difficulties.
- 8. The media have concentrated their attention on Dover and senior staff there have so far managed to keep the traffic moving in the manner described above. Now, however, industrial action is having a serious effect at smaller ports, such as Portsmouth and Poole, where staff of a grade prepared to carry out the work are not on site. It has not hitherto been necessary to move them in to do the work. Despite fears that by doing so we may escalate the industrial action to the extent of causing a withdrawal of labour elsewhere, particularly on the import side, we have now decided to take that risk and senior staff will be asked to stamp the CT documents wherever serious delays are occurring.
- 9. We are considering whether to direct junior relief staff to this work if and when the need arises. By these means we hope to contain the difficulties over exports, although we cannot guarantee to remove them.



#### UNCLASSIFIED



10

FROM: CATHY RYDING DATE: 22 June 1987

PS/PAYMASTER GENERAL

cc Sir P Middleton Mr Scholar Mr Nash - C&E PS/C&E

# INDUSTRIAL ACTION AND EXPORTS

The Chancellor has seen Mr Nash's minute to the Paymaster General of 19 June.

2. The Chancellor has noted in paragraph 8 that Customs have now decided to accept the risk of escalated industrial action and ask senior staff to stamp the CT documents wherever serious delays are occurring. He has commented that the Paymaster General may be able to use his ingenuity to suggest further ways we can minimise the effect on exports.

CATHY RYDING

01/679

1. MR TRUMAN

TR GENERAL

See para 5 (ovo) PAYMASTER GENERAL

FROM: J PETFIFER

DATE: 25 June 1987

cc PS/Chancellor ) Sir P Middleton) Mr F E R Butler) without Mr Kemp

attachments

Mr Luce Mr Gilhooly Mr Chivers

CHECK-OFF

Tony Christopher, Peter Jones and colleagues from the Council of Civil Service Unions are to come and see you at 11.30 on Tuesday 30 June to discuss check-off. Mr Christopher will take the lead as the chairman of the CCSU's major policy committee.

- As you know, in his submission to the Prime Minister on 18 June about the handling of the current dispute, the Chancellor proposed that the way should continue to be prepared for check-off (the automatic deduction of union subscriptions from pay) to be suspended from members of unions taking industrial action should the present dispute with those unions continue - this to entail an amendment to the Civil Service Code. There has subsequently been general endorsement of this proposal and, after two formal meetings, Mr Kemp has recently written to the CCSU confirming that we are still minded to amend the Code - hence their desire to put their case direct to Treasury Ministers. Briefing, for convenience, is attached as an annex.
- 3. Mr Kemp's second meeting with the CCSU was with the various general secretaries, and if you have time you may like to glance through the attached record of what was said. The unions' main argument is that suspension of checkoff, or the threat thereof, would be vindictive and would neither serve to resolve the present dispute nor serve the cause of good industrial relations for the longer term. Although it is now only the CPSA who are under direct threat from our proposal, the unions not currently in dispute see the proposed Code amendment as an implied threat to them - as indeed it is - and appear to be equally unhappy about it.
- I suggest that you play a straight bat, listen to what the CCSU have to say, undertake to consider their representations and emphasise that no decision has yet been taken on whether check-off should actually be suspended in the current dispute. Recognising what they fear is inevitable, they may seek certain assurances if the Code is changed. The possibilities are some kind of indication -

"rules of engagement" - of when and in what circumstances check-off would be suspended and an undertaking that if it is stopped, it will be resumed automatically once industrial action has ceased. The first we are willing to consider, though we will have to avoid anything which might be construed as legally binding. A copy of the sort of thing we have in mind is attached. The second is not a hostage we can offer since it reduces the potency of the weapon. Automaticity must depend on the circumtances prevailing.

5. On the assumption that you remain unpersuaded, we would move to change the Code as soon as possible. We would then be in a position to suspend check-off for the CPSA, but the timing could be tricky. In his recent submission the Chancellor proposed that the necessary preliminary steps should be taken to secure suspension of check-off from the end of July, assuming we were to decide to push the button. However, in order for suspension to be effected from end-July computer payroll centres must have the necessary authority by around the 10th of the month, and, perversely, we will not know the outcome of the CPSA's all-out strike ballot until about a week after that date. If, therefore, we were to stop check-off in July, we could not await the outcome of the ballot before pushing the button, though preliminary legal advice suggests we could only do so if there was industrial action at the time. We will have to look at this carefully; but we might want to stay our hand if, say, there were no CPSA members on strike during the second week in July and/or the vibes we were getting suggested that the ballot was going firmly against further strike action.

We will be happy to enlarge orally on this brief if you so wish.

A way was a way or the same way of the same way or the same

# CHECK-OFF: BRIEFING FOR MEETING WITH CCSU ON 30 JUNE

# Background

Unions warned in 1982 and again in 1983 that management reserved the right to withhold check-off in whole or in part from any union whose members were officially involved in industrial action for as long as this continued. In order for this to be done however it is necessary first for the Civil Service Code to be amended. Legal advice has been that there is a contractual obligation on the Civil Service as employer to provide check-off to individual civil servants and that a change in the rules to provide for withdrawal of the facility in certain circumstances can only be effected after appropriate consultation with the trade union side and by formally changing the existing rules. This process of consultation has been taking place. Treasury wrote to CCSU on 24 April outlining the proposal to amend the Code, and meetings have been held with the unions on 18 May and 5 June. Treasury wrote again on 23 June confirming that we were still proposing to make the amendment.

# Why change the rules now?

Scale and scope of present dispute dictate that the Government must seriously consider propriety of continuing to provide a facility which damages the conduct of day to day business and adversely affects public at large. Why should public funds and resources be used to assist the unions in maintaining their cash flows and thus their ability to prolong disruptive action?

# Has a date been fixed to stop check-off?

No.

## More union bashing?

Nothing of the kind. Civil servants are free to belong to whatever trade union is willing to take them into membership. We are merely thinking about responding to a striking union by not helping it maintain its cash flow. No threat to unions which are <u>not</u> taking industrial action. They have nothing to fear.

# Provocative? Damaging to industrial relations both in short and long term?

Do not see it that way. Unions have been under notice for 5 years that this measure might be taken. Repeat, no decision taken to suspend check-off. Very much hope this will not prove necessary.

# Will new mandates be needed or will check-off be renewed automatically?

Academic, since no decision yet taken on suspension. [No commitment]

# If check-off is suspended, will adequate notice be given to unions affected?

Notice will be given if a decision is taken to suspend check-off but length of time will depend on circumstances.

# What about industrials?

Being considered separately - no decision taken. Background to check-off facility quite different for industrials. Proposal to change Code would apply initially only to non-industrials.





FROM: MISS C RYDING

DATE: 26 June 1987

PS/PAYMASTER GENERAL

cc: Sir P Middleton

Mr F E R Butler

Mr Kemp

Mr Luce

Mr Gilhooly

Mr Truman

Mr Chivers

Mr Pettifer

#### CHECK-OFF

The Chancellor has seen Mr Pettifer's minute to the Paymaster General of 25 June, and noted paragraph 5 in particular.

2. His minute to the Prime Minister was written before we knew the timing of the CPSA ballot (or indeed whether they would ballot for an all-out strike). In the circumstances, he would not want to push the button before the outcome of the ballot is known. But there is no need for the Paymaster General to reveal this at his meeting with the unions next week.

CATHY RYDING

P

FROM: D A TRUMAN

DATE: 29 June 1987

1. MR KEMP

2. PAYMASTER GENERAL

CC PS/Chancellor
Sir P Middleton
Mr F E R Butler
Mr Luce
Mr Gilhooly
Mr Pettifer

#### CHECK-OFF

You may like to have some further briefing and documentation before your meeting with the general secretaries tomorrow.

- 2. I attach copies of letters sent to the unions in 1982 and 1983 and this year which make clear the Treasury's attitude to our policy on check-off. There can be no question that the unions have been on warning for some 5 years that we might wish to use this weapon in the event of a major industrial dispute.
- 3. We suggest that you listen to the unions representatives and reiterate that no decisions have yet been taken to change the Code let alone stop check-off in the case of the union still in dispute, CPSA. But it is possible that the unions may attempt to raise other associated issues. If so, we suggest you take the appropriate line set out in the attachment to this note.
- One point likely to be made by the unions not in dispute with us is their perception that by changing the Code we have adopted a threatening posture and that all the unions are thus at risk. They may seek, therefore, some set of rules under which the checkoff weapon would be deployed. This is something we are ready to concede, although as a last resort, and on certain conditions. First, we are not prepared for anything which might be construed as a legally binding undertaking; we must reserve our freedom of action. Secondly, we would not wish to negotiate the wording of the attached draft (which the lawyers have crawled over word by word) although we will consider the unions' representations. If the point is raised, we hope you will offer to give further consideration to the notion to a set of rules and promise that officials will take this up later. We suggest you do not offer to show them the draft.

5. You will also have seen the Foreign Secretary's minute to the Chancellor of 26 June which endorses the action so far proposed over the pay dispute and makes the point that the FCO pay computer would have to be instructed by 7 July if check-off were to be stopped for July salaries. Since the result of the CPSA's ballot will not be known until at best between 15 and 17 July, and since we would not wish to recommend stopping check-off unless and until the CPSA announce their intention of proceeding with all out industrial action, the Foreign Secretary's timing problem should not arise. You may wish to touch on this when you report on the outcome of your meeting with the unions tomorrow.

D A TRUMAN

IRD

# ADDITIONAL BRIEFING NOTES - LINES TO TAKE

# Any reference to pay

We are here to discuss check-off not Civil Service pay, which is a separate matter.

Check-off unnecessary if there were settled pay system/arbitration

Pay is a separate issue. But in any case, the Treasury's proposals

for new and long term pay arrangements have been tabled and some

unions will be discussing these further with us.

#### Political funds

This is not at issue; the Government's policy is clear as I told the House of Commons last year. (See attachment.)

Check-off - rules of use

Willing to consider - officials will be in touch.

# Civil Service Unions (Political Funds)

11.31 am

The Minister of State, Treasury (Mr. Peter Brooke): I have been asked to make a statement concerning the position of non-industrial Civil Service trade unions and their possible establishment of political funds.

Political funds are unnecessary unless the Civil Service trade unions are proposing to participate in party political activities or to campaign for or against political parties or candidates. Provided this is not the main purpose of their campaign material or activities, they remain free, like other trade unions, to spend money from their general funds to promote and to defend their members' interests. This was the position before the Trade Union Act 1984 came into force and remains the position now.

If, wholly unexpectedly, unions were to experience difficulties in the courts on challenges that money had been wrongly spent from their general funds of activities to defend or improve their members' terms and conditions of employment, the Government would be ready to contemplate changing the law.

Any union that proposed to establish a political fund would have to consult its members by secret ballot. It is important that, in casting their votes, all union members are fully aware that a fund is not necessary unless party political activities are planned. Union members should know also that the creation of such funds will not be seen as in keeping with the political neutrality of a Civil Service that has to serve Governments of any political persuasion. Moreover, in the Government's view, political affiliation—a further but separate possible step—would run wholly counter to this need for political neutrality.

Dr. Oonagh McDonald (Thurrock): Will the hon. Gentleman admit that the Government's view is that these ballots are not about affiliation to the Labour Party? Is he aware that the question that members of some Civil Service unions are about to answer is set by the certification officer, a Government official? Does he agree that members of the Civil Service unions in question are being asked whether they should be allowed, not forced, to pay into a political fund?

Will the hon. Gentleman agree that, if it is acceptable for companies which advocate and benefit from privatisation to have a voice in Parliament through their links with Members of Parliament, it is right for those workers who will suffer and have suffered from privatisation to have a view?

Is it not plain that the proposition in the statement—that, if a union is taken to court on the ground that its general funds had been wrongly spent on activities to defend or to improve its members' terms and conditions of employment and the union suffers a massive setback in the courts, the Government will then consider the position—is completely unacceptable? Is the hon. Gentleman aware that no union can possibly act on the basis of hope but no certainty that its activities are legal? The hon. Gentleman's comments are utterly and completely unreasonable.

Is it not quite staggering that the Government who have passed legislation and insisted on changes in the Trade Union Act 1913 have now made a statement which implies

that they do not know what their own legislation means? If the Government are not sure what it means, how can the unions know?

As for the references to political neutrality, is the hon. Gentleman aware that the Civil Service Union and the Inland Revenue Staff Federation, both of which are about to hold a political ballot, are in the "politically free" category? Is he aware that, when the Post Office was a Government Department, the then Union of Post Office Workers, which is now the Union of Communication Workers, and the then Post Office Engineering Union, which is now the National Communications Union, had political funds? Is the hon. Gentleman aware that the industrial Civil Service is represented by trade unions such as the General, Municipal, Boilermakers and Allied Trades Union, and the Transport and General Workers Union, virtually all of which have political funds?

There can be no justification for the statement. The Minister should withdraw it at once.

Mr. Brooke: The reason I made a statement was that I was asked to make one. I congratulate the hon. Lady on having asked a series of questions that was considerably longer than my statement.

The provision in the Trade Union Act 1984 which brought the 1913 Act up to date has not altered the freedom of trade unions to promote or to defend their members' interests where the main purpose of such activities is not party political. Questions on interpretation of that legislation are, of course, for my right hon, and learned Friend the Paymaster General and Minister for Employment.

Mr. David Steel (Tweeddale, Ettrick and Lauderdale):

Does to Minister recall that, during the passage of the
1984 gislation, we constantly complained about the
ambigury in the legislation on balloting for political
funds?

The Paymaster General and Minister for Employment (Mr. Kenneth Clarke): No.

Mr. Steel: Yes. We pressed for a clear indication in the law that people should be allowed individually to contract in to political funds for the purpose of supporting political parties. The Government refused to do that. They brought this ambiguity on themselves. Surely the current position is that the political funds are not wholly in existence to support political parties. Indeed, the unions have won the ballots on the basis of that statement. The Minister is wrong. Have not the Government doubly brought this ambiguity on themselves by creating such antagonism, generally and individually, in the Civil Service?

Mr. Brooke: The ambiguity to which the right hon. Gentleman refers does not exist. There has not been a change since the 1913 Act. It is for the right hon. Gentleman to demonstrate, in terms of the wording of the 1913 Act compared with the 1984 Act, that such a change has occurred.

Mr. Terry Davis (Birmingham, Hodge Hill): Why has it taken more than five months and a threat of legal action for the Inland Revenue to confirm that it will meet the obligations imposed by the 1984 Act on every employer to co-operate in the arrangements for holding these ballots on political funds? Does the hon. Gentleman agree that, as the Inland Revenue Staff Federation has received legal advice which is the total opposite of the Government's

interpretation of the law, it would be better for the federation's members to establish a political fund in case a judge at some time in the future disagrees, as he would be entitled to do, with the Government's interpretation of the law? Is it not better for the union's funds to be safe than for the Government to be sorry?

Mr. Brooke: The requests from the Inland Revenue Staff Federation are essentially matters for the chairman of the Inland Revenue. The hon. Gentleman has referred to the correspondence between the concerned groups. To determine the amount of assistance that it is reasonable for a Government Department to provide for campaigns relating to a ballot for a political fund and conduct thereof is a serious question. We are dealing with a novel issue.

Mr. Frank Cook (Stockton, North): Does the Minister realise that his statement was misleading? Does he recall that the 1913 Act, which established the need for political funds within trade unions, was a means of trying to constrain political activity, and it in fact failed? Does he remember that his 1984 proposals tried to put that right and failed yet again? Is not the statement a means of trying to redeem what has already been a complete failure? Is it not a fitting finale to a week of catastrophe for the Government which will herald a change not just of Prime Minister but of the party in government?

Mr. Brooke: The hon. Gentleman seems to be going rather wide of the question that I am addressing. I repeat that the law relating to political funds in the 1984 Act has not changed from that in the 1913 Act.

Mr. Jack Straw (Blackburn): Is that not a bare-faced attempt by the Government to head off prospects of a victory in the ballots organised by the IRSF and CSU to establish political funds to defend their members' interests against the constant denigration by the Prime Minister and her Government of the Civil Service role? How can the Minister claim that a political fund leads, inevitably, to party political affilitation when a few moments ago he drew the distinction between a political fund and affiliation to a political party? Will he confirm that it is open to any trade union to establish a political fund without affiliating subsequently to a political party?

Mr. Brooke: As I said in my statement. I acknowledge that separate issues are involved. The Government are making known their views about the establishment of political funds. Of course, I agree with the hon. Gentleman, that, provided the law is complied with fully, the matter is entirely for the members of the trade unions involved.

Mr. Frank Dobson (Holborn and St. Pancras): Will the Minister confirm that the object of the exercise is to prevent Civil Service unions campaigning on issues which affect the future of their members? In those circumstances,

is it no preposterous for him to suggest that he is not trying to inhibit such activity when he is talking about them spending money on the production, publication and distribution of any literature, document, film, sound recording or advertisement, the main purpose of which is to get people to do something—to wit, to vote? If the closure of a Civil Service unit is threatened directly by one political party and not the other, is it not absurd to say that the people working there cannot campaign and use their money to save those jobs by saying that they should vote for one person and not the other?

Mr. Brooke: My constituency neighbour has missed the point. The purpose of the statement is to make it clear that the activities which the hon. Gentleman has described are properly fundable out of general funds.

Mr. Alan Williams (Swansea, West): The Minister made the point that the general fund could be used as long as it was not used for party political purposes. Has not the change that has taken place under this Government in relation to the Civil Service become party political? Was not one of the Prime Minister's earliest phobias the Civil Service, with a selective public pay policy and her campaign against public sector pensions? Are not the Civil Service unions genuinely questioning how far they can use their general funds to protect themselves against the Prime Minister's meddling?

Mr. Brooke: The law remains the law. The purpose of the statement was to bring home the fact that the activities in which the Civil Service may wish to enter, provided they are not party political, can be funded out of general funds.

Mr. Dennis Skinner (Bolsover): Is the Minister aware that as a result of his statement he has almost certainly given an added boost to the prospect of success in the ballots? Is it not a scandal that we have a Government who have been telling civil servants that it is their job to defend Ministers all down the line but that they are not allowed to defend themselves against the Minister by having a political fund? Why are civil servants picked out for special treatment? They occasionally have to suffer the service of they have to fight for their wages. They have to do things that many other workers have to do. Some of need to buy Labour Research, like the right hon. Genuman the leader of the Social Democrats who used all the information from it this morning for the point of order that he raised.

Mr. Brooke: As I said in my statement, union members should also know that the creation of such funds will not be seen as being in keeping with the political neutrality of the Civil Service which has to serve Governments of any political persuasion. The Government have made the statement merely to have those issues of public interest in the public domain.

## SUSPENSION OF CHECK-OFF

Code paragraph 4100 sets out the circumstances in which check-off may be suspended. The following sets out how the Official Side would normally implement the Code provisions.

- 2. Check-off will only be suspended where members of a union are involved in official industrial action which is either national or, if Departmental, has a major impact on Departmental business and/or the public.
- 3. Instructions will be given to suspend check-off if industrial action on the lines described above is taking place or if the unions have announced that such industrial action is to take place (eg if there has been a strike ballot which has resulted in a mandate for action, and that action is firmly timetabled as to commencement).
- 4. Normally three working days notice of an intention to instruct computer payroll centres to suspend check-off will be given to the trades unions in question.
- 5. Notice will be given by management to staff of a decision to suspend check-off so that members may if they wish make other arrangements to pay their subscriptions.
- 6. All subscriptions collected by Departmental computer centres on behalf of trades unions prior to the date of effecting the suspension of check-off be remitted in the normal way to the trades unions in question.

- 7. The facility will be resumed from the earliest practicable pay date after industrial action has been officially and finally called off.
- 8. When a decision has been taken to restore the facility members will be informed that deductions will be resumed unless they indicate otherwise. Their union subscriptions will be deducted from the next practicable pay date and remitted to the union in the usual way.
- 9. Where a decision to restore the facility is taken too late to be given effect to immediately, an appropriate deduction, with the agreement of members, will be made at the next practicable pay date.
- 10. These notes are set out by way of guidance only, and have no binding force. They may be varied or modified by the Official Side.



# HM TREASURY Old Admiralty Building Whitehall London SW1A 2AZ

Telephone 01-273 4 170 GTN 273 Switchboard 01-273 3000

P D Jones Esq Secretary Council of Civil Service Unions 19 Rochester Row SW1P 1LB

24 April 1982

#### FACILITIES AGREEMENT

I am writing to say that Ministers have endorsed the proposed revised Facilities Agreement put to them for approval following negotiations between both sides of the National Whitley Council in the form attached.

This form incorporates minor drafting points which we discussed and agreed with you, but by agreement excludes the previous provision relating to the deduction from pay at source of union members subscriptions. I explained when we met that the Government wanted it to be clearly understood that there could be no obligation to collect money on behalf of the unions when it was being used to finance industrial action. You said that this was not an interpretation of the check-off arrangements with which you could agree. We need to clarify this point; at the same time, both Sides are willing to introduce the new Agreement in all other respects, and check-off is in any case rather different from facilities more generally in that it is not referred to in the employment legislation or in the ACAS Code of Practice. The two Sides have, therefore, agreed to conclude the new Facilities Agreement but to exclude from it the provisions relating to check-off. The agreement to go ahead on this basis is on the understanding that fresh discussions will take place relating to clarification of the terms on which check-off may be provided. The joint intention would be to try to reach an agreement as soon as possible on the terms relating to the provision of check-off. However, the Government is prepared to continue to provide check-off facilities on the present basis for a period of 12 months from now, or until the implementation of a new agreement relating to check-off alone, whichever is the earlier. If agreement is not reached by the end of that period, the check-off facility will continue to be provided subject to the following proviso: in the event of official industrial action it will be open to the Official Side to instruct departments to withhold the facility, in whole or in part, so long as the action continues, from any union whose members are officially involved.

. C C ALLAN
Industrial Relations Division



## H M Treasury

#### Parliament Street London SWIP 3AG

Switchboard 01 233 3000 Direct Dialling 01-233 3889

E.P. Kemp Deputy Secretary

> P D Jones Ecq Secretary Council of Civil Service Unions St Andrews House 40 Erosdway London SWIE OBU

9 August 1983

Sire(

#### CHICH-OFF AREAMS MANTS

The extract from the minutes of the Joint Meeting attached to your position paper on pay of 29 June makes reference to check-off. This was not a matter which come up in our recent discussions and I think it might be desirable to record the formal position here.

When the revised Facilities Agreement was concluded last year, it excluded provisions relating to check-off. However, it was made clear in a letter of 29 April 1982 that the Government was prepared to continue to provide check-off facilities on the lasis agreed under the 1974 Facilities Agreement for a period of 12 months from that date or until the implementation of a new agreement relating to check-off alone whichever was the earlier.

In the event no new agreement on check-off emerged. The position, therefore, is that, as from 1 May 1983, the check-off facility is being continued subject to the proviso set out in the last sentence of the letter of 29 April 1982; in the event of official industrial action it will be open to the Official Cide to instruct departments to withhold the facility, in whole or in part, as long as the action continues, from any union whose members are officially involved.

(remany



## H M Treasury

#### Parliament Street London SW1P 3AG

Switchboard 01-270 3000 Direct Dialling 01-270.4400.

E P Kemp Deputy Secretary

> P D Jones Esq Secretary Council of Civil Service Unions St Andrews House 40 Broadway London SW1H OBT

24 April 1987

De: Pel

#### CHECK-OFF

You will recall that when the National Facilities Agreement was revised in April 1982, it did not contain any provision for the deduction of union subscriptions from pay at source ("check-off"). It was hoped that a separate agreement relating to check-off would be reached and you were advised in a letter dated 29 April 1982 that we were prepared to continue check-off on the basis of the 1974 Facilities Agreement for a period of 12 months, pending the introduction of such an agreement. That letter also stated that in the event of official industrial action, it would be open to the Official Side to instruct departments to withhold the facility, in whole or in part, so long as the action continued, from any union whose members were officially involved. In the event no new agreement was reached, and I wrote to you on 9 August 1983 saying that the facility would be continued, but I repeated the proviso about withdrawal of the facility in the event of and for the duration of official industrial action. My response of 7 October 1983 to your letter of 30 August reiterated the position.

I am now writing to advise you that in view of the industrial action which members of the CPSA, the SCPS and NIPSA are currently taking on the instructions of those unions, Ministers are considering instructing departments to withhold the check-off facility in respect of those unions, for the duration of the industrial action. This would be in accordance with the terms on which this facility has been provided since 1982 and would apply only to the unions whose members were taking official industrial action.

The Treasury are also considering amending the Civil Service Pay and Conditions of Service Code. The amendments would ensure that individual civil servants are fully aware of the terms on which check-off is being provided and may be withdrawn. I enclose a copy of the proposed revised paragraphs (4051 and 4100) and covering Memorandum for your consideration.

The purpose of this letter is to seek your observations on these proposals before any decision is reached. I shall be pleased to hear from you as soon as possible.

I should also mention that departments will also be consulting their staff sides about consequential amendments to departmental staff handbooks in the event of the Code being revised as proposed.

I am sending copies of this letter to the General Secretaries of the constituent unions of the CCSU except NIPSA to whom the Department of Finance and Personnel of the Northern Ireland Civil Service will be writing in similar terms.

Ywsiming Potup

E P KEMP

AFT CODE MEMORANDUM CM/

CIVIL SERVICE PAY AND CONDITIONS OF SERVICE CODE

SECTION: VOLUNTARY DEDUCTIONS FROM PAY

REVISION OF : Paragraphs 4051, 4100

STATEMENT OF CHANGES

This Memorandum promulgates a number of changes to paragraphs in the Code relating to deduction of subscriptions from pay in favour of trade unions.

These changes are described in paragraph 2 below.

2. Code paragraph 4100 provides that subscriptions to nationally or departmentally recognised Civil Service unions may be paid by means of deductions from pay of members. This Memorandum amends para 4100 to make it clear that in the event of official industrial action by non-industrial civil servants, and for the duration of such action, this method of payment may be withdrawn in whole or in part in respect of deductions payable to any union with members officially involved in the industrial action. A consequential amendment has also been made to paragraph 4051.

REVISED PAGES

3. Revised pages are attached and should be substituted for those currently shown.

ENQUIRIES

4. Any enquiries on this Memorandum should be addressed to D Faulkner, Industrial Relations Division, HM Treasury, telephone GTN 270 4692 (offices not connected to the Government Telecommunications Network should dial Ol, if appropriate, before the number shown).

Authorised by: D A TRUMAN

File reference: IRPP D/26/1718/1490/01C

Date of issue:

Memorandums authorised by HM Treasury are issued on its behalf by:-

CABINET OFFICE (MPO)
Government Offices
Great George Street
LONDON SWIP 3AL

### REVISED CODE PARAGRAPHS

any of the purposes or organisations listed in Annexes 1 and 2 should obtain from the organisation concerned the standard form of authority approved by the Treasury, complete it and forward it to the organisation. The organisation will forward the completed forms in batches at suitable intervals to the officer paying salary, wages or pension. Except for subscriptions to national savings (see paragraphs 4141 and 4143) and to unions, new deductions will be permitted only from the beginning of a quarter. Deductions for union subscriptions will be made from the earliest date practicable after receipt of the authority. Notice of termination of authority should be given direct to the paying officer of the department. However, this method of payment may be withdrawn in respect of union subscriptions in the circumstances described in paragraph 4100.

4100 Subscriptions to nationally or departmentally recognised unions representing civil servants may be paid by means of deductions from the pay of members. However, in the event of official industrial action by non-industrial civil servants, and for the duration of such action, this method of payment may be withdrawn by the Official Side in whole or in part in respect of deductions payable to any unions with members officially involved in the industrial action. Staff will be advised by an office notice of any decision to withdraw this method of payment ("check off").

FROM: J PETTIFER DATE: 9 July 1987

1. MR LUCE

2. PS/PAYMASTER GENERAL

cc APS/Chancellor Mr Kemp

Mr Gilhooly

#### CHECK-OFF

In his note of today's date to the Chancellor the Paymaster General proposes that he should write to the CCSU early next week on the lines of the supplied draft. This very much accords with our thoughts about the appropriate timing, given that the PMG has decided to put the Code amendment in train. We feel the balance of advantage, bearing in mind the CPSA ballot, lies in the PMG writing no later than Monday or Tuesday, assuming of course that the Chancellor is content.

JOHN PETTIFER

IRD

CONFIDENTIAL

C/content for MST to write as at B, and officials to consult as at



FROM: PAYMASTER GENERAL

DATE: 9 July 1987

CR917 PAYMASTER GENERAL

CHANCELLOR OF THE EXCHEQUER

cc Sir Peter Middleton

Mr F E R Butler

Mr Kemp

Mr Luce

Mr Gilhooly

Mr Truman - or

Mr Pettifer

CHECK-OFF

I attach (flag A) a note of the meeting which I held with the Civil Service Union General Secretaries on 30 June.

I have carefully considered the arguments they made. My conclusion is that we should proceed to the next stage, which is to amend the Code. The main reason why I come to this conclusion is that check-off is a facility (provided free of charge) which is greatly to the benefit of the unions and their finances: if they take industrial action against us, with the deliberate and avowed intention of causing inconvenience and expense not just to the Government but to a large number of citizens, then we must be able to withdraw the facility which supports this action. is no element of "double penalty" in this, as one General Secretary suggested; it is a commonsense step which would be understood and supported very widely. Indeed many people would not understand why we had carried on with the facility.

I am more concerned about the arguments mounted by the unions not currently in dispute. It will be important to emphasise yet again that check-off would only be withdrawn from a union which was in dispute - in which case the arguments above would bite. Equally I think it will be important for us to make clear the way in which we would intend to operate withdrawal, and that these rules should be fair and reasonable. At the close of the meeting on the 30th I mentioned that if, hypothetically, a decision were taken to amend the Code, then this would be our intention.

#### I therefore propose that:

- we should now proceed to amend the Code in the way we have already indicated;
- I write to the CCSU on the lines of the draft below (flag B), which we have cleared with the Treasury Solicitor
  - T propose doing this early next week to avoid any unnecessary impact on the CPSA ballot currently in progress;
- iii. officials should take the necessary steps vis a vis Departments;
  - officials would also consult with the CCSU over the rules of operation of check-off (I attach at flag C a first shot);
  - v. appropriate background Press briefing should be prepared; and
  - I write to our Ministerial colleagues letting them vi. know what has been done.

Of course the decision to change the Code is not a decision immediately to suspend the check-off facility from the CPSA. That decision would need to be taken later, and only if or when the CPSA ballot resulted in official industrial action. means that the latest date for cessation of deduction at the end of July would be missed, but this is something we have to live with. I agree with you that it would be wholly wrong to proceed with this weapon unless we could see clearly that industrial action was positively planned or taking place.

> PB. PETER BROOKE



#### NOTE OF A MEETING HELD AT HM TREASURY ON 30 JUNE

#### CHECK-OFF

#### Those present:

HM Treasury	CCSU
Paymaster General Mr E P Kemp	Mr A M G Christopher (Chairman of CCSU MPC) IRSF
Mr D Truman	Mr P D Jones CCSU (Secretary)
Mr J Pettifer	Mr J Ellis CPSA
Mr S P Judge	Mr W McCall IPCS
	Mr L Christie SCPS
	Mr J Ward FDA
	Mr J Randall CSU
	Mr D Evans POA

After welcoming the CCSU representatives the <u>Paymaster General</u> apologised for the fact that he had another commitment later in the morning which might constrain the time available for discussion. However, he explained that he was familiar with the past history of the check-off issue and his role now was to listen carefully to what the union side had to say.

Mr Christopher said that the CCSU representatives did not wish to take up much of the PMG's time. He stressed the importance which the Civil Service unions attached to this issue, which far-reaching implications both for the way in which the unions were financed and the general industrial relations climate. Check-off had been introduced as part of the general facilities arrangements and at a time when the process of negotiation and consultation between management and unions was considered to be the norm. It seemed that in seeking to amend the check-off provisions the Government were over-reacting to the current dispute and showing no regard either for past practices or for the great damage to future industrial relations which could result. Further, there was a moral question here: the unions had a job to do, they needed money from subscriptions in order to do it and it was invidious for the Government to contemplate denying them their primary source of finance. However, although the unions would be faced initially with practical problems if check-off were withheld, Mr Christopher warned that the



Government might also encounter very real logistical difficulties, and a move to suspend check-off might of itself provoke further industrial action. He therefore urged the Government to think again.

- 3. Mr Evans said he fully shared the concern expressed by Mr Christopher. His union, the POA, had in many respects gone along with the successive trade union legislation which the present Government had passed; yet it seemed that each time the union complied, the Government came up with additional measures (such as the proposals on check-off) which further strained their goodwill. He said the POA would be prepared to make the necessary contingency arrangements if check-off were to be denied them, but warned that even if the POA were unaffected they would not necessarily stand idly by if the facility were withdrawn from one of the other unions.
- 4. Mr McCall said he had little to add to the representations he and his colleagues had already made on this issue at earlier meetings. He regarded withdrawal of check-off as ill-conceived and counterproductive at a time when the Government should be seeking a constructive, not a destructive, approach to industrial relations.
- Mr Ellis said he found suspension of check-off an extraordinary measure for an employer to contemplate. When the facility had been introduced in the '60s it had been seen as a development of a joint working relationship between Government and unions, and was recognised by the Government as a cost-effective way of collecting union revenue. The unions also had the security of knowing that there was an established system in train for collecting subscriptions. He therefore saw the present proposal very much as a retrograde step. Moreover, it seemed wrong that Civil Service unions should not only be obliged to comply with the Government's considerable industrial relations legislation but also be subject to further sanction via suspension of check-off. This measure would force unions to make alternative arrangements (eg direct debit to banks), which did not seem a sensible or desirable course for an employer to bring about. He saw a fundamental need to improve industrial relations, but the Government seemed to be looking in the other direction.

- 6. Mr Christie said that until about a week ago his union had been taking industrial action, and the threat of suspension of check-off had if anything hardened his members' resolve and their support for the dispute. Echoing Mr Evans' remarks, he said the Government must not assume that a union from whom check-off had been withheld would not be supported by others still enjoying the facility.
- 7. Mr Randall said that check-off was a manifestation of mutual trust and co-operation between employer and employee. There were bound to be occasional disputes, but these should not be allowed to obscure the immense amount of everyday work with which management and unions were, for the most part harmoniously, involved. If the Government were set on making this symbolic change to the Code it could only bring unhelpful repercussions. Certainly the CSU might face greater difficulty than other unions in finding alternative arrangements; many members, for example, did not have bank accounts. The move could also serve to weaken the unions' membership.
- 8. Mr Ward said he saw no necessity for the Government's proposal and hoped they would reconsider their position. What the Government should be looking for in the field of Civil Service industrial relations was a carrot, not another stick. For example, a move to allow unilateral access to arbitration would do a great deal to help avoid the risk of industrial action in the future.
- 9. Mr Christopher drew attention to proposals the unions had put forward in 1983 for dealing with disputes through arbitration and conciliation, to which the Government had never responded. He felt that it was essential to look towards a fresh start. The Government had left a legacy which had yet to be addressed, and it should be a priority for Ministers to explore seriously what could be done to improve industrial relations for the future.
- 10. The Paymaster General thanked the CCSU representatives for their comments. He emphasised that no decision on the check-off question had yet been taken, and he hoped the Government had demonstrated its good faith by the punctilious approach it had followed on consultation with the union side about this difficult issue. He



fully recognised the difficulties with which unions might be faced if check-off were withheld and understood their concern. However, the Government had to view the matter also from the standpoint of the public who were affected by the disruption and hardship which frequently resulted from industrial action. Many might express surprise and concern to find that the Government was actually facilitating the means whereby unions in dispute maintained their cashflow and thus their ability to continue with industrial action. While again stressing that no decision had been taken, the PMG explained that if it were decided to make the proposed Code amendment, he would want his officials to provide the unions with what might be termed "rules of operation".





#### PAYMASTER GENERAL

Treasury Chambers, Parliament Street, SWIP 3AG

A M G Christopher Esq Chairman, Major Policy Committee Council of Civil Service Unions St Andrews House 40 Broadway LONDON SWIH OBT

July 1987

#### CHECK-OFF

When we met on 30 June, you and your colleagues made further represnetations about the Official Side's proposal that the Pay and Conditions of Service Code should be amended to set out the circumstances in which check-off may be suspended in respect of unions taking official industrial action. I am grateful for the clarity with which your points were put.

As I promised, we have given very careful consideration to these points. We fully recognise the concerns which the Trade Union Side have on this issue. However, your representatives have not persuaded us that the proposed amendment to the Code should not be made. As I explained at the meeting, the Government cannot lose sight of its responsibilities to the community at large. Nor can it ignore the view that the continuation of the check-off facility, while a union was taking official industrial action aimed at disrupting Government business, would not be in the public interest. Further, notice was originally given in 1982 that this was a step which the Government would have to contemplate in the event of official industrial action. We will accordingly now be taking the necessary steps to put the amendment into effect.

In making this amendment we are acutely aware of the points you raised about the position of unions which are not in dispute, which of course means most of your constituent members for most of the time. I can repeat the assurances I gave you that check-off would not be suspended unless a union was taking official industrial action. This has been the position since 1982. It is important, however, that everyone understands in detail the circumstances in which check-off might be suspended, and how the Official Side would approach this and its consequences. I

#### CONFIDENTIAL

have accordingly asked my officials to consult with you over these detailed matters, so that no-one can be in any doubt as to the position, and to amplify the assurances I give about the continuation of check-off for unions not in dispute.

We shall be in touch with you immediately on this.

PETER BROOKE

#### DRAFT

#### SUSPENSION OF CHECK-OFF

Code paragraph 4100 sets out the circumstances in which check-off may be suspended. The following sets out how the Official Side would normally implement the Code provisions.

- 2. Check-off will only be suspended where members of a union are involved in official industrial action which is either national or, if Departmental, has a major impact on Departmental business and/or the public.
- 3. Instructions will be given to suspend check-off if industrial action on the lines described above is taking place or if the unions have announced that such industrial action is to take place (eg if there has been a strike ballot which has resulted in a mandate for action, and that action is firmly timetabled as to commencement).
- 4. Normally three working days notice of an intention to instruct computer payroll centres to suspend check-off will be given to the trades unions in question.
- 5. Notice will be given by management to staff of a decision to suspend check-off so that members may if they wish make other arrangements to pay their subscriptions.
- 6. All subscriptions collected by Departmental computer centres on behalf of trades unions prior to the date of effecting the suspension of check-off be remitted in the normal way to the trades unions in question.

- 7. The facility will be resumed from the earliest practicable pay date after industrial action has been officially and finally called off.
- 8. When a decision has been taken to restore the facility members will be informed that deductions will be resumed unless they indicate otherwise. Their union subscriptions will be deducted from the next practicable pay date and remitted to the union in the usual way.
- 9. Where a decision to restore the facility is taken too late to be given effect to immediately, an appropriate deduction, with the agreement of members, will be made at the next practicable pay date.
- 10. These notes are set out by way of guidance only, and have no binding force. They may be varied or modified by the Official Side.





FROM:

CATHY RYDING

DATE:

10 July 1987

PS/PAYMASTER GENERAL

cc: Sir P Middleton

Mr F E R Butler

Mr Kemp Mr Luce

Mr Gilhooly Mr Truman Mr Pettifer

#### CHECK-OFF

The Chancellor was grateful for the Paymaster General's minute of 9 July and was content with his proposals.

CATHY RYDING

tet another one we

didn't receive until

His morning-burl

don't think it really

mattes in this case.

about to write

FROM: E P KEMP

DATE: 13 July 1987

cc Chancellor of the Exchequer Sir Peter Middleton

Mr F E R Butler

Mr Luce

Mr Gilhooly

Mr Truman - or

Mr Pettifer

Mr Woodall

#### CHECK-OFF

PAYMASTER GENERAL

The Chancellor has now approved the way forward set out in your note of 9 July.

- 2. On the question of timing etc, I have suggested to your office that you should write first thing tomorrow morning (Tuesday), and that the letter should go to Mr Jones Secretary of the CCSU not to Mr Christopher who is only the bird of passage who happens to be the chief spokesman of the MPC for the time being. This is a formal letter, and it is better to go to the Secretary of the CCSU; there is also the slightly awkward point that Mr Christopher is the General Secretary of a union not in dispute and we do not want any misunderstanding.
- 3. I will simultaneously write to Mr Jones with our "rules of the game". We can expect a good deal of rumpus over all this, but I hope that the offer of the rules of the game will help.
- 4. Mr Pettifer is letting Mr Woodall have some briefing notes for IDT. Our most vulnerable point, it seems to me, is that we shall be seen to be vindictive and making this change just when the current Civil Service pay action is fizzling out. There are two answers to this; first, it has not actually fizzled out quite yet; and second, this year's experience has shown that there can be industrial action in the Civil Service which does damage, and the existence of the check-off facility in its present form is, in these circumstances, an anomaly.

5. Finally I attach the draft of a letter for your Private Office to send to No 10 telling them what we have done. This also should despatch first thing tomorrow morning.

E P KEMP

#### DRAFT LETTER FOR PS/PAYMASTER GENERAL TO SEND TO:

PS/No 10

#### CIVIL SERVICE PAY DISPUTE - CHECK-OFF

In his minute to the Prime Minister of 18 June the Chancellor proposed that the Treasury should now take the further necessary preparatory steps to enable check-off to be suspended in the case of substantial industrial action by Civil Service unions.

- 2. The Prime Minister may like to be aware that following further representations from the Council of Civil Service Unions the Paymaster General has now with the Chancellor's agreement written to the Council saying that after careful consideration he is not persuaded that the necessary amendment to the Civil Service Code should not be made, and that steps would now be taken to put this amendment into effect. At the same time the Paymaster has told the Council that Treasury officials would be in touch with them about how in practice this revised Code provision might be used in future, and this is now in hand.
- 3. This step that has now been taken is not, of course, in itself a suspension of the check-off facility. This would only take place if and when a Civil Service union were taking major official industrial action, which at this moment is not the case (the CPSA the only Civil Service union remaining in dispute is still engaged in balloting.) We have explained to the unions, and in our material for dealing with Press enquiries, that unions not taking industrial action are at no risk.

4. I am copying this to Private Secretaries of members of the Cabinet, to the Private Secretary of the Minister of State (Privy Council Office) and to Sir Robert Armstrong's office.

MR WOODALL

FROM: J PETTIFER

DATE: July 1987

cc PS/Chancellor

PS/Paymaster General

Sir P Middleton

Mr Kemp Mr Luce

Mr Gilhooly

Mr Easton

Mr Truman o/r

#### CHECK-OFF

The Paymaster General is writing to the CCSU (a copy of the letter is attached) informing them that, having carefully considered the representations they have made, he has decided that the Civil Service Code should be amended to provide for possible suspension of check-off where unions take official industrial action.

2. In case this prompts any media interest you may like to draw on the briefing points below, some of which you are already familiar with.

#### What is check-off?

The facility (provided free of charge) whereby automatic payment of members' subscriptions is made to a union through deductions by departments from monthly or weekly salaries.

#### What has Treasury done?

The main Civil Service unions have been under notice for 5 years that the Treasury reserves the right to suspend check-off where unions have members involved in official industrial action. The Treasury have now formally changed the rules to enable suspension to take place in the event of industrial action.

#### Unions consulted?

Yes. Unions have been fully consulted and their representations carefully considered.

#### Why take this action now?

Present dispute shows that the Government must consider propriety of continuing to provide this facility to unions whose action is damaging to the conduct of day to day business and affects public at large.

#### Will check-off actually be suspended?

Question only arises if there is major industrial action. Unions not in dispute have nothing to fear. Check-off would be restored when action called off.

#### More union bashing?

Not at all. Civil servants are free to belong to whatever union is willing to take them into membership. We are merely taking measures which would enable us to respond to a striking union by not helping it maintain its cash flow. Again, no threat posed to unions not taking industrial action.

#### Provocative? Damaging to industrial relations?

Do not see it that way. Unions under notice for 5 years that this measure might be taken. Repeat, no decision actually taken to suspend check-off.

#### "Rules of the game"?

To be discussed with the Civil Service Unions.

#### CPSA?

Balloting for all-out strike action, but no major action at present. Question of suspension therefore does not arise at this moment.

J PETTIFER

John (etteler

IRD



#### PAYMASTER GENERAL

Treasury Chambers, Parliament Street, SWIP 3AG

P D Jones Esq Secretary, Council of Civil Service Unions St Andrews House 40 Broadway LONDON SWIH OBT

14 July 1987

Dear Pin,

CHECK-OFF

When we met on 30 June, you and your colleagues made further representations about the Official Side's proposal that the Pay and Conditions of Service Code should be amended to set out the circumstances in which check-off may be suspended in respect of unions taking official industrial action. I am grateful for the clarity with which your points were put.

As I promised, we have given very careful consideration to these points. We fully recognise the concerns which the Trade Union Side have on this issue. However, your representatives have not persuaded us that the proposed amendment to the Code should not be made. As I explained at the meeting, the Government cannot lose sight of its responsibilities to the community at large. Nor can it ignore the view that the continuation of the check-off facility, while a union was taking official industrial action aimed at disrupting Government business, would not be in the public interest. Further, notice was originally given in 1982 that this was a step which the Government would have to contemplate in the event of official industrial action. We will accordingly now be taking the necessary steps to put the amendment into effect.

In making this amendment we are acutely aware of the points you raised about the position of unions which are not in dispute, which of course means most of your constituent members for most of the time. I can repeat the assurances I gave you that check-off would not be suspended unless a union was

taking official industrial action. This has been the position since 1982. It is important, however, that everyone understands in detail the circumstances in which check-off might be suspended, and how the Official Side would approach this and its consequences. I have accordingly asked my officials to consult with you over these detailed matters, so that noone can be in any doubt as to the position, and to amplify the assurances I give about the continuation of check-off for unions not in dispute.

We shall be in touch with you immediately on this.

PETER BROOKE

Ams sincerey Prin Broder

# Servants vote to strike

The Militant-controlled Civil yesterday afternoon was 7,820 and Public Services Associ- in favour of action, with 7,401 ation has voted for a one-day national strike on Friday at all Department of Employment offices in protest at the Government's decision to use Youth Training Scheme train-

The result surprised leading union moderates who were sceptical of using further strike action in protest at the Government's trainee policy, which is not opposed by all Civil Service unions.

rd

or

ise

pl-

its

A spokesman for the ministry yesterday said the Government regretted the union's decision to take industrial action, but make it clear

the policy would not be altered.

The strike, which will shut all Jobcentes and employment benefit offices, could start a futher wave of indus-

against. The turnout of Civil Servants working in Department of Employment offices was a surprisingly high 60 per

Mr John Ellis, the moderate general secretary, was known to favour nogotiations over strikes. He was hopeful that a series of meetings he had with Mr Richard Luce, the Minister of State, Privy Council Office, could resolve the problem.

"Ultimately, negotiations are the correct course; an attempt to stop the Government employing YTS trainees across the whole of the Civil Service would be extremely difficult and costly.

"The Government has already introduced YTS trainees in DoE offices in Bolton, have lost their jobs since 1979. start a futher wave of indus—West Bromwich and Cov—The Government denies trial action.

Although the final vote will introduce them in social section the conditions and pay or be announced today, a leading unity offices and in the depart-recruitment of Civil Serunion official said the result ments of defence and science. Tyants

yesterday afternoon was 7,820 The prospects of stopping in favour of action, with 7,401 Them are very remote.

However, the Militant-controlled executive has make it clear that it wants to stop the Government expanding the scheme. Privately, left-wing union officials are not clear what move to make next. The union has only just recovered from a prolonged strike earlier this year over pay negotiations.

Further industrial action will not receive any support outside the association. Mr John Sheldon, general sec-retary of the Civil Service Union, said the union did not oppose the YTS trainee scheme in principle.

However, the association fears the introduction of YTS trainees will lead to futher cuts in the Civil Service. It says that 150,000 Civil Servants 1. MR TRUMA 121 1-

2. PAYMASTER GENERAL

RAL MYS MAS.

FROM: G D ROGERS

DATE: 27 November 1987

PS/Chief Secretary
PS/Financial Secretary
PS/Economic Secretary
Sir P Middleton
Miss Mueller
Mr Kelly
Mr Gray
Mr Gilhooly
Mr Waller
Mr McIntyre

PS/Minister of State, PCO

Mr Pettifer

#### INDUSTRIAL ACTION IN DEPARTMENT OF EMPLOYMENT AND ELSEWHERE

You will wish to know that, as expected, a one day strike by CPSA members took place today in protest against the Youth Training Scheme in the Department of Employment Group (I attach a copy of an article from the Times of 24 November which gives some background). No other civil service unions were involved.

- 2. In total, 8325 staff (21%) took strike action causing 187 Benefit Offices (20%) and 69 Job Centres (7%) to be closed. In addition, 632 staff in the DHSS also took sympathetic industrial action by refusing to cross picket lines. The computer centres at Reading and Livingstone were both affected but not closed, together with 15 local benefit offices. A further 8 benefit office were closed for the day. Finally, at the Companies Record Office in Cardiff, 55 members of staff (6.75%) also took industrial action. All those involved will lose a day's pay in consequence.
- 3. We believe that the Department of Employment are somewhat surprised by the level of support for the strike and that the Secretary of State is very concerned. We have no immediate information about the Department's intentions over YTS but know that they wish to proceed but expect it will be necessary to take care in choosing suitable offices for placements of trainees.

G D ROGERS
Industrial Relations Division



FROM: MOIRA WALLACE

DATE: 30 November 1987

MR C D BUTLER

CC

PS/Chief Secretary PS/Financial Secretary PS/Paymaster General PS/Economic Secretary Sir P Middleton Miss Mueller Mr Kelly

Mr Kelly Mr Gray Mr Gilhooly Mr Rogers

#### INDUSTRIAL ACTION IN DEPARTMENT OF EMPLOYMENT AND ELSEWHERE

The Chancellor has seen Mr Rogers' minute of 27 November (copy
... attached for you). He has asked for a note on the use of YTS
in his Departments. I would be grateful if you could co-ordinate
this.

mpn.

MOIRA WALLACE

1. MR TRUMAN 21 "

2. PAYMASTER GENERAL

RAL WAS THE STATE OF THE STATE

FROM: G D ROGERS

DATE: 27 November 1987

cc PPS

PS/Chief Secretary PS/Financial Secretary PS/Economic Secretary

Sir P Middleton

Miss Mueller

Mr Kelly

Mr Gray

Mr Gilhooly

Mr Waller

Mr McIntyre

Mr Pettifer

PS/Minister of State, PCO

#### INDUSTRIAL ACTION IN DEPARTMENT OF EMPLOYMENT AND ELSEWHERE

You will wish to know that, as expected, a one day strike by CPSA members took place today in protest against the Youth Training Scheme in the Department of Employment Group (I attach a copy of an article from the Times of 24 November which gives some background). No other civil service unions were involved.

- 2. In total, 8325 staff (21%) took strike action causing 187 Benefit Offices (20%) and 69 Job Centres (7%) to be closed. In addition, 632 staff in the DHSS also took sympathetic industrial action by refusing to cross picket lines. The computer centres at Reading and Livingstone were both affected but not closed, together with 15 local benefit offices. A further 8 benefit office were closed for the day. Finally, at the Companies Record Office in Cardiff, 55 members of staff (6.75%) also took industrial action. All those involved will lose a day's pay in consequence.
- 3. We believe that the Department of Employment are somewhat surprised by the level of support for the strike and that the Secretary of State is very concerned. We have no immediate information about the Department's intentions over YTS but know that they wish to proceed but expect it will be necessary to take care in choosing suitable offices for placements of trainees.

Call

G D ROGERS
Industrial Relations Division

## Servants vote to strike By Roland Rudd Free Title 5- 24/11/44

The Militant-controlled Civil yesterday afternoon was 7,820 and Public Services Associ-ation has voted for a one-day against. The turnout of Civil national strike on Friday at all Department of Employment offices in protest at the Government's decision to use Youth Training Scheme trainees.

it

or

150

nl-

st

The result surprised leading union moderates who were sceptical of using further strike action in protest at the Government's trainee policy, which is not opposed by all Civil Service unions. "

A spokesman for the ministry yesterday said the Government regretted the union's decision to take industrial action, but make it clear the policy would not be altered.

The strike, which will shut

all Jobcentres and employment benefit offices, could start a futher wave of indus-trial action.

Servants working in Depart-ment of Employment offices was a surprisingly high 60 per

Mr John Ellis, the moderate general secretary, was known to favour nogotiations over strikes. He was hopeful that a series of meetings he had with Mr Richard Luce, the Minister of State, Privy Council Office, could resolve the problem. .. 10-11-11-1

"Ultimately, negotiations are the correct course; an attempt to stop the Government employing YTS trainees across the whole of the Civil Service would be extremely difficult and costly. -

"The Government has already introduced YTS train-ees in DoE offices in Bolton, have lost their jobs since 1979. start a futher wave of indus. West Bromwich and Cov- The Government denies trial action.

Although the final vote will introduce them in social sectithe conditions and pay or be announced today, a leading urity offices and in the depart- recruitment of Civil Serpnion official said the result ments of defence and science yants.

The prospects of stopping them are very remote."

However, the Militant-controlled executive has make it clear that it wants to stop the Government expanding the scheme. Privately, left-wing union officials are not clear what move to make next. The union has only just recovered from a prolonged strike earlier this year over pay negotiations.

Further industrial action will not receive any support outside the association. Mr John Sheldon, general sec-retary of the Civil Service Union, said the union did not oppose the YTS trainee scheme in principle.

However, the association fears the introduction of YTS trainees will lead to futher cuts in the Civil Service. It says that 150,000 Civil Servants