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DEPARTMENT OF TRADE AND INDUSTRY

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Secretary of State for Trade and Industry

12 April 1985

Robin Butler Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1

Dear Robin,

NON-INDUSTRIAL CIVIL SERVICE PAY NEGOTIATIONS - MISC 66

My Secretary of State has seen the Treasury note/circulated by Rachel Lomax under cover of her letter of 12 April. He agrees with the Chancellor that the proposed way forward should be supported but has stressed that the Government should move quickly.

2 I am copying this letter to the Private Secretaries of the other members of MISC 66, to Elizabeth Hodgkinson in Sir Keith Joseph's office, to John Ballard in Mr Jenkin's office, to Rachel Lomax in the Treasury and to Richard Hatfield in Cabinet Office.

Yours ever,

John Mogg

J F MOGG
Private Secretary

610

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH



From the Minister

The Rt Hon Peter Rees MP
Treasury Chambers
Parliament Street
London SW1P 3AG

WBPm.
12 April 1985

TRANSFER OF COSTS OF EARLY RETIREMENT TO DEPARTMENTAL VOTES

Thank you for your letter of 1 April. —

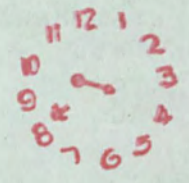
I welcome your assurance that you will consider sympathetically a change in my programme to meet the cost of any redundancies which may arise as a result of the decisions we took last year on advisory services and research and development. Naturally I accept the need to minimise any such cost through natural wastage, to the extent that this does not involve measures which seriously damage the structure of the services concerned. The extent to which payments by the industry can substitute for the reductions in government funding and the accounting arrangements which are made to deal with such receipts, on which my officials have already been in touch with yours, will also be very relevant.

I must, however, reserve my position on the question of offsetting savings. As I said in my last letter, last year's PES decisions were taken on the clear understanding that redundancy costs did not fall on my programme.

I am copying this letter to the Prime Minister, Willie Whitelaw, George Younger, Douglas Hurd, other members of MISC 106, Sir Robert Armstrong and Sir Robin Nicholson.

MICHAEL JOPLING

12 APR 1985





~~hand~~

I think this is Ok - but
the Chancellor may want to
add a comment. I will phrase
paragraph if he does.

RL.

10/4.

MRS LOMAX

FROM D A TRUMAN
DATE 10 April 1985

cc Sir P Middleton
Mr Kemp.

CIVIL SERVICE UNIONS: BALLOTS FOR INDUSTRIAL ACTION

No. 10 have asked for urgent briefing tonight about the current state of play on Civil Service pay negotiations.

As I explained the SCPS had already voted by a small majority in favour of industrial action in connection with the original 4% pay offer, while the IRSF had rejected such action. The offer was increased to 4.4%. The IRSF chose to reballot while, following a writ, the CPSA held a ballot under the provisions of the Trade Union Act 1984. The second IRSF poll is still being counted, but we have just heard that the CPSA have voted against industrial action, by 41,600 against 41,100 in favour. *None of the other unions have threatened industrial action.*

As a result of all this we understand that there will almost certainly be no industrial action by any trade union on Monday, 15 April (the planned "day of action") and probably no action during the rest of the week.

The CPSA result is a vindication of the Treasury's use of the Trade Union Act 1984. (We understand that the original poll, which did not comply with the Act, looked likely to show a considerable majority for action.)

It is difficult at this juncture to forecast what happens next. The unions campaign of industrial action is in disarray. Meanwhile, the stance is that pay negotiations continue. [Ministers meet on Tuesday to decide the next step.]

Could you please pass this on to No. 10.

D A TRUMAN