

PRIME MINISTER

MEASURES TO ALLEVIATE THE EFFECTS OF MAJOR REDUNDANCIES

At one of the meetings of E(A) to discuss shipbuilding you commissioned work on how the handling of major redundancies might be improved.

An interdepartmental group has now recommended setting up an official group, chaired by the Department of Employment, to advise Ministers, on a case by case basis, whether in particular circumstances a special package might be justified to alleviate the effects of redundancies.

Ministers are generally content. But the Chief Secretary has two concerns. First, he argues that there should be prior collective Ministerial agreement that a particular case is suitable for processing through the new official machinery. This would act as a further filter to prevent too many cases being brought forward. Secondly, he argues, against the Paymaster General, that packages of measures should be financed from within existing resources. ✓

I suggest you might say:

(i) you are generally content with the machinery proposed, but before the official group carries out detailed work on a package of measures Ministers should agree that the redundancies concerned would be suitable for the special treatment;

Yes not

(ii) although the possibility of additional resources in particular cases cannot be ruled out, it would be right to approach the exercise on the basis of diverting existing resources;

Agreed not

(iii) it is important also that the Ministry of Defence should be included in the arrangements and you hope steps will be taken to ensure this.

Content ?

Yes
ms

DLN

(DAVID NORGROVE)

16 October 1986

DCABLX

Note ① No hope to be said about the existence of this committee

② Suggest it has a brief period of say 6 months

ms