



Civil Service Department
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27 July 1979

Tim Lankester Esq
Private Secretary
10 Downing Street
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Dear Tim,

IPCS DISPUTE

The Prime Minister will wish to know that following a meeting between the Lord President and IPCS representatives last week we have now made substantial progress towards resolving the procedural side of the dispute on the pay of Civil Service professional and technology staff.

Officials have put to the IPCS a package involving a two stage reference to the Civil Service Arbitration Tribunal (CSAT) which specifically allows the IPCS to raise what they assert to be an issue of principle before the Tribunal considers the appropriate rates. This proposal, which was approved in advance by the Chairman of the CSAT, has been accepted by the National Executive Committee - subject to endorsement by a special delegate conference next Wednesday or Thursday. There are still a number of hard liners in the IPCS who are for rejection but there seems a reasonable chance of the delegates accepting the proposals.

The package preserves the Government's position that any third party reference must be to the CSAT and should not involve conciliation. If it is accepted the IPCS will instruct all staff to resume normal working and we shall authorise payments of the 9% and 5% stages (in accordance with the general civil service settlement) on account.

The Lord President believes that the proposed procedure, though perhaps clumsy, is a reasonable compromise which fully protects the Official Side's interests without prejudicing those of the union or its members.

Copies of this letter go to the Private Secretaries of members of the Cabinet, of the Minister of Transport, and of Sir John Hunt.

Yours sincerely,
Jim Buckley.

J BUCKLEY
Private Secretary