



Grant

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PRIME MINISTER

Arbitration on Public Services Pay
(E(80) 131)

BACKGROUND

At their meeting on 16th October the Committee invited the Secretary of State for Employment to arrange for officials of his Department to co-ordinate an interdepartmental report on the scope for, and implications of, changing arbitration arrangements in the public services (E(80) 37th Meeting, Item 2). The Committee saw considerable disadvantage in perpetuating arbitration arrangements in the public services which provided for unilateral access to the arbitration process. They were concerned that any changes in the arrangements should be co-ordinated to avoid a piecemeal series of announcements.

2. In his present memorandum (E(80) 131) the Secretary of State for Employment makes a number of general points and then, in his paragraph 6, specific recommendations for particular public sector groups.

HANDLING:

3. After the Secretary of State for Employment has introduced his paper, and subject to any general points Ministers may wish to make, the discussion could be based on the proposals listed in paragraph 6 of E(80) 131, and decisions recorded on each group as the Committee works through the list.

Teachers in England and Wales

4. Following discussion in E(EA) the Secretary of State for Education and Science has now opened discussions on the review of the Remunerations of Teachers' Act, 1965 with a view to establishing a unified national negotiating machinery dealing with conditions of service including pay, and to gaining greater control of access to arbitration and of the implementation of arbitral awards. On present plans new legislation could not be introduced until the 1981-82 Session, but the Secretary of State for Education has now written to the Chancellor of the Duchy of Lancaster to urge him to find room for legislation this Session so that the arrangements are in place in time for the 1981-82 pay



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round. Given the pressures on the 1980-81 timetable and QL's decision on 1st December to withdraw Bills previously in the programme, it is most unlikely that an Education Bill can now be added.

5. The immediate question for E is whether, irrespective of the timing of legislation, the Secretary of State for Education should be urged to negotiate for the withdrawal of unilateral access before negotiations begin, around next January, for the April 1981 settlement. If that is the view of E, the Secretary of State for Education will no doubt wish to make the taking of any such initiative subject to discussions first with the local authority employers, who may themselves have strong views on the pros and cons.

Scottish Teachers

6. The Education (Scotland) Bill which is now being introduced for enactment by no later than June 1981 will simplify the present arrangements for determining Scottish teachers pay, bring together negotiations on pay and on conditions of service, and strengthen the Secretary of State's hand over access to arbitration and setting aside arbitral awards.

7. The question for E is whether any changes on unilateral access should take place after the Bill is enacted or whether they should be negotiated prior to the April 1981 settlement. If it is decided to go now for such a change for England and Wales, that would point to keeping in step in Scotland unless the Committee is persuaded that a different approach North and South of the Border could be defended.

University Teachers

8. Present arrangements provide for a dispute to go to arbitration "if the two sides so agree (such agreement not to be unreasonably withheld)". Unless the qualification in brackets can be withdrawn by negotiation there is in effect a right of unilateral access.

9. The Secretary of State for Education makes a sound case, in his letter of 20th November to the Secretary of State for Employment, against taking action immediately: the negotiations for the October 1980 settlement are well under way and it is therefore too late to open the question of the existing arbitration arrangements, even if that were thought desirable. If that is accepted the question is whether the Secretary of State should aim to negotiate new arrange-

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ments prior to the 1981 settlement. If this proved impracticable - for example, if the price were too high - legislation at the next opportunity would probably be necessary. Could this be combined with the legislation on the remuneration of school teachers?

Non-industrial Civil Servants

10. The Civil Service Department find the present arrangements have considerable advantages for management. Either side can request reference of disputes on pay and other matters to the independent Civil Service Arbitration Tribunal. The Government however can deny arbitration on grounds of policy - for example, if a claim were in excess of the level permitted by the cash limits. This advantage to management would most likely be lost in any revised arrangements and would be worthwhile only if some other compensating benefits could be secured. The Secretary of State for Employment does not like the present arrangements because it is he who is in the embarrassing position of having to deny access to Civil Service unions on policy grounds.

11. The question for E is whether any changes for the Civil Service should be negotiated in due course in the context of the wider review of arrangements for pay or whether any initiative should be taken now to warn the unions that unilateral access to arbitration will not be available to them in respect of the April 1981 settlement.

Police

12. New arrangements were only recently set up under the Police Negotiating Board Act 1980. Either side can take the initiative on arbitration. The Home Secretary can refuse to implement an agreement for reasons of grave national importance.

13. The question for E is whether they agree that as the police are a special case (they have no right to strike), and as the new arrangements have only just been introduced, there should be no change at this stage.

Water Workers

14. The proposal is that the Secretaries of State for the Environment and for Scotland should invite the employers to consider re-negotiating the unilateral arbitration arrangements in their agreement.

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Local Authority Staff and Craftsmen

15. It is proposed that, once the current settlements are out of the way, the local authorities should be encouraged to renegotiate their arrangements so as to remove unilateral access before the 1981 settlements. The Secretaries of State for Environment and for Scotland will wish to comment.

United Kingdom Atomic Energy Authority Staff

16. The question is whether the Committee accepts the Department of Energy's recommendation that the present agreement providing unilateral access should not be changed on the grounds that it has never caused difficulties and that the group have an automatic pay link with the Civil Service.

CONCLUSIONS

17. These will arise in the course of discussion on each of the groups listed in paragraph 6 of E(80) 131.

(Robert Armstrong)

3rd December 1980