



Prime Minister ①

PRIME MINISTER

NEW TECHNOLOGY AGREEMENT

Would prefer to discuss. I am concerned about the right line? Agree that X is right. Proposed MCG 23/7/74

The agreement with the Civil Service trade unions on the provisions for the introduction of new technology in the next two years was concluded with the CCSU in March after a majority vote in favour on the CCSU Council. At that time only two executive committees of the constituent unions (SCPS and CSU) were against the agreement, and they were prepared to abide by the majority decision. Subsequently there was a leftward swing at two of the major conferences. The CPSA Conference rejected the agreement and instructed its EC to negotiate more favourable terms; the SCPS conference also led to outright opposition. As a result of this shift in the balance of union opinion, the CCSU Council concluded that it was no longer possible for it to maintain the agreement concluded in March. This will mean that the introduction of new technology will have to be discussed case by case in each Department.

The General Secretaries of all the unions, including the SCPS and CPSA, are much embarrassed by this turn of events; and they believe that in practice many Departmental trade union sides, particularly those which are not dominated by left-wingers, will be ready and even keen to reach agreements on the basis of the national agreement. They have therefore asked us whether we would agree to state that notwithstanding the latest development the Official Side will continue to work "within the framework of the agreement".

That would clearly not be tolerable: it would imply that the national agreement could be a basis for further negotiations and "improvements" (which means concessions by the management) at Departmental level.

I have considered whether we should simply castigate the unions for breaking the agreement and make it clear that our side of the bargain is off. But I do not think that that would be in our own best interests. It would alienate moderate opinion in the unions, and play into the hands of the extremists; and it would invite the rejoinder that in breaking this agreement they had done no more than we had in suspending the pay agreement last year.

I have therefore been thinking about an alternative approach. This would deplore the breaking of the agreement; say that we remain committed to the introduction of new technology; note that this will have to be discussed case by case in Departments; indicate that, where a Departmental trade union side is prepared to stick to the trade union side's part of the agreement, the official side will stick to its part; and make it clear that, where a Departmental trade union side does not stick to its part, the official side will not be bound by the agreement.

MANAGEMENT IN CONFIDENCE

This course seems to me to have a number of advantages:

- (1) it demonstrates management's willingness to stick to its bargains, if the union side does so;
- (2) it involves no new concessions, and gives us the strongest possible basis for refusing any further concessions in negotiations at Departmental level;
- (3) it provides moderates in Departmental trade unions something to latch on to, and a sense that management is prepared to behave reasonably;
- (4) it does not call for any response from the trade union side at national level;
- (5) it should help to achieve agreements at Departmental level - and we need these agreements if we are to get the 3,000 jobs saved on which we have been counting to achieve the 1984 target for Civil Service numbers.

If you agree that this is the right line to take, I should instruct officials to seek to arrange an exchange of letters on the lines of the attached draft.

I am sending copies of this note and the draft exchange of letters to the Chancellor of the Exchequer, Sir Robert Armstrong and Sir Douglas Wass, who support this line.

Baroness Young

BARONESS YOUNG

22 July 1982

MANAGEMENT IN CONFIDENCE

DRAFT LETTER FROM CCSU TO OFFICIAL SIDE

In March this year the National Whitley Council concluded an agreement on the introduction of new technology. The CCSU has been obliged to reconsider its position as a result of Conference decisions and I regret therefore that it is necessary to advise you that the Council can no longer maintain the national agreement. We recognise, however, that Departmental discussions about the introduction of new technology will continue as appropriate.

DRAFT REPLY FROM OFFICIAL SIDE

I am replying to your letter of _____ notifying me that your Council can no longer maintain the national agreement on the introduction of new technology.

2. It is in the Official Side's view a matter of grave concern that the Council can no longer maintain a national agreement concluded only four months ago, which is of limited duration, and which contains no provision for review or withdrawal during its currency. Such a situation could have extremely serious implications for constructive industrial relations in the Civil Service. We must ask you to do your utmost to ensure that your members co-operate in the introduction of new technology.

3. The Government remains committed to introducing new technology to improve efficiency and standards of service to the public. As you point out, departmental discussions will continue. To the extent that, in such discussions, Departmental trade union sides are willing to accept and conform to the terms of the new technology agreement, management will for its part be prepared to accept the obligations which the agreement places on it. Where union sides are not so willing, they cannot expect management to regard itself as bound by the terms of the agreement.



*For
Civil Service*

10 DOWNING STREET

From the Private Secretary

27 July 1982

The Prime Minister had a word with the Lord Privy Seal today about her minute of 22 July on the new technology agreement. The Prime Minister said that the Government must stress that agreements were two-sided; if the unions withdrew from their side it must be made clear that the agreement was off. It was agreed, therefore, that in the absence of a national agreement, negotiations would have to proceed from scratch in each Department.

I am sending a copy of this letter to John Kerr (HM Treasury), David Wright (Cabinet Office) and Jeremy Colman (HM Treasury).

T. FLESHER

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J. Buckley, Esq.,
Lord Privy Seal's Office.