

*Prime Minister**(2)**MU 23/12**[Signature]*

PRIME MINISTER

DHSS LOCAL OFFICE STRIKE

We are announcing today that the two Civil Service unions involved (SCPS and CPSA) are recommending that their members on strike in our local offices in Birmingham and Oxford should go back to work on 10 January. The unions may have some difficulty with their own members over recommending a return to work, without anything of substance gained, after strikes which started on 15 September. The strikers are due to meet on 4 January when the unions' recommendation will be put to them. What is significant about this is that on this occasion both unions will be recommending a return to work. (There have been two previous occasions when only the CPSA has so recommended, and the strikers consequently decided to continue their action.)

This has been a strike about staff numbers. Our local offices have undoubtedly been through a difficult year, with rising numbers of supplementary benefit claims and several major changes of policy to implement in order to enable staff numbers to be reduced as a major contribution to the Service's target of 630,000. But complements have been broadly correct, according to the system we agreed with the unions three years ago, and there has been no substance in their claim for extra permanent staff. There has been a need, however, to adjust the balance of staff between different blocks of work within local offices, which has added to managerial problems and staff pressures. The pressures are undoubtedly most acute in inner-city offices. We have been ready from the outset to offer a joint review of our manpower system, with the unions, to see whether it is sufficiently responsive to changes in work loads and local pressures. This has now been accepted as the basis of the return to work. We have also launched a study of our own of inner-city problems.

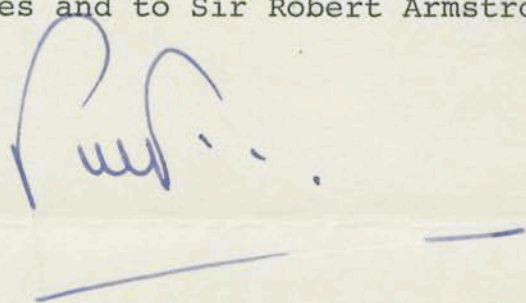
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The dispute started at one office on 15 September, and spread through all the Birmingham offices and to one office in Oxford, until we have had about 750 staff on strike in twelve offices which has led these offices to be closed to the public for varying periods of up to 14 weeks.

But throughout about half the staff in these offices - and all the middle and senior management - have stayed at work and kept much of the business flowing. New claims have been taken at emergency centres, for which we have found sufficient volunteers. The staff who kept working, often in the face of harassment and picketing, have served valiantly, and the interference with service has been much less than the unions aimed for and has not caused a great deal of publicity.

The strike would not have lasted so solidly if the unions had not paid generous strike pay. The Society has said, for instance, that it has cost them £½ million in strike pay and the CPSA must have spent a similar amount at least.

I am copying this to Cabinet colleagues and to Sir Robert Armstrong.



23 December 1982

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