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QUEEN ANNE'S GATE LONDON SW1H 9AT

19 April 1983

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Prime Minister

Dear Sir,

MUS 20/4

FIRE SERVICE PENSIONS

ms

I was grateful for the support of yourself and other colleagues in response to my letter of 14 April. I can now report the outcome of the Joint Pensions Committee meeting, and my decision.

As expected, all three of the employer associations agreed that the pension contribution should be increased by 2% from 1 May and 2% from 1 November. They were supported by the associations representing the officers and the chief officers. As also expected, the Fire Brigades Union contested the Government Actuary's figures, argued that no case had been made for any increase, and said they regarded the proposal as a political attack on their pay formula.

Having taken into account the views expressed by the Committee, I have decided to order the increase agreed by a majority of its members: a 4% increase, 2% from 1 May and 2% from 1 November. The decision has been conveyed to the organisations concerned. It remains to be seen whether the FBU will take industrial action: this is something which the Civil Contingencies Unit will be considering tomorrow.

I am copying this letter to the Prime Minister, the Secretaries of State for Education and Science, Northern Ireland, Defence, Scotland, Wales, Social Services, Employment and Environment and the Lord Privy Seal, and to Sir Robert Armstrong.

Handwritten signature of Geoffrey Howe

The Rt. Hon. Sir Geoffrey Howe, QC., MP.

LOCAL GOVT. Pay of LA Manual Workers
Pt 3

19 APR 1983



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Prime Minister

MUS 19/4

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon William Whitelaw CH MC MP
Secretary of State
Home Office
50 Queen Anne's Gate
London SW1H 9AT

18 April 1983

R. White

[Handwritten mark]

FIREMEN'S PENSION CONTRIBUTION RATE

Thank you for your letter of 14 April to Geoffrey Howe updating us on the position of the various parties involved in the dispute over the increase in the firemen's pension contribution.

If the employers put forward their unanimous view on phasing this increase in pension contributions that it is likely to avert the threatened industrial action, I agree with your judgement that we should accept. If this is not the case then it seems to me that the gesture is hardly worth making. We should still be faced with providing emergency cover and all that that entails. For the moment we must continue the preparatory action for an industrial dispute. In addition, in view of possible future developments for other public sector pension groups it will need to be made absolutely clear that phasing beyond 7 November will not be contemplated.

I am copying this letter to the recipients of yours.

[Handwritten signature]

LEON BRITTAN

LOCAL GOVT: Pay of LA Manual Workers

PT 3





SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

CC NO
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Prime Minister

CONFIDENTIAL

The Rt Hon William Whitelaw CH MC MP
Secretary of State for the Home Department
Home Office
Queen Anne's Gate
LONDON
SW1H 9AT

MUS 18/4

18 April 1983

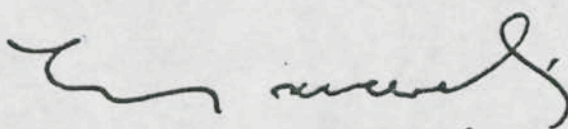
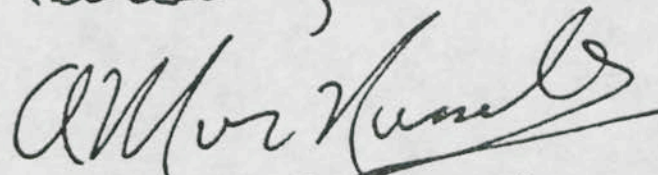
Dear Home Secretary

Thank you for sending me a copy of your letter of 14 April to Geoffrey Howe on the latest developments about the pension contribution rate for firemen.

I am in full agreement with you that we should accept the proposal you expect from the employers' associations that the increase should be staged, with 2% imposed immediately and the remaining 2% from 7 November. Although like you I would have preferred to see the full 4% payable from 1 May, there can be little doubt that a staged settlement offers the best way forward. To have held to our original proposal would almost certainly have led to prolonged and expensive strike action, involving damage to property and perhaps loss of life; I do not think that we would be justified in going down this road, if all the employers' associations are in favour of the staged settlement. I can confirm that the Convention of Scottish Local Authorities now support staging.

I also share your view that we must continue our planning through the CCU. It is unlikely that the FBU will take an immediate decision as to their future action and it is important not only that we are ready to meet any possible emergency but that we are seen to be so.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Education and Science, Northern Ireland, Defence, Wales, Social Services, Employment and Environment, the Lord Privy Seal and Sir Robert Armstrong.



Approved by the Secretary of
State and signed in his absence

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Local Govt

NBPM

Mus 18/4

NORTHERN IRELAND OFFICE
GREAT GEORGE STREET,
LONDON SW1P 3AJ



SECRETARY OF STATE
FOR
NORTHERN IRELAND

The Rt Hon William Whitelaw MC MP
Home Office
Queen Anne's Gate
London SW1

15 April 1983

Dear Willie

FIREMENS PENSION CONTRIBUTION RATE

Requested.

I have seen your letter of yesterday to the Chancellor outlining the way you think the JPC will go on Monday, namely a phasing of the proposed 4% pension contribution with 2% applying from the 1 May and 2% from the 1 November. Subject to any overriding views of the Chancellor I think a 2% deferment in the increase until November is a small price to pay for industrial peace in this vital protective service and it has my full support.

I am copying this letter to those who received yours.

[Handwritten signature]

Local Government: Pay of LA Mammals
Water + firemen
P73

11 APR 1983



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QUEEN ANNE'S GATE LONDON SW1H 9AT

14 April 1983

Dear Jeffrey

FIREMEN'S PENSION CONTRIBUTION RATE

Since my Private Secretary's letter of 31 March there have been developments on the new pension contribution rate for firemen of which you will wish to be aware.

The Joint Pensions Committee, with representatives of both sides concerned with financing the pension scheme, is to meet on 18 April to consider our proposal that the firemen's contribution rate should be raised by 4 per cent on 1 May. When deciding on the new rate I have to take account of the views expressed at that meeting.

During the last week we have been trying to ascertain the attitude likely to be taken at the meeting on 18 April by the various organisations represented. It now seems certain that the three employer organisations will all agree that the contribution rate should rise by 4 per cent. This is much better than I feared, and represents a considerable shift in the position of the Association of Metropolitan Authorities in particular. The Fire Brigades' Union will contest the actuarial basis of our proposal. We shall resist this, and the Government Actuary himself will attend the meeting, but we do not expect the Union to accept a 4 per cent increase.

I am sure that we must hold fast to the 4 per cent increase and implement it in the order. It represents a substantial, permanent increase in the level of firemen's pension contributions.

It seems clear that the employers' associations will also be united in the view that 2 per cent of the increase should be imposed immediately and the remaining 2 per cent with the next pay settlement on 7 November. The two officers' associations seem likely to go along with this line.

Acceptance by the employers of a 4 per cent increase and their unanimity on how it should be imposed represents a considerable achievement. If they put this forward on 18 April as the unanimous view of the employers' side of my advisory body I feel that I must accept it. The six months' postponement of 2 per cent of the increase is a small price to pay for securing the permanent 4 per cent increase. Not to accept the local authority associations' view might also have the effect of splitting the employers in their joint effort to minimise the next pay settlement, and of prejudicing our longer term and major objectives for the fire service, in particular the revision of standards of fire cover.

I believe that the plans being made through the Civil Contingencies Unit to cope with possible industrial action after 26 April must continue, and we are

The Rt. Hon. Sir Geoffrey Howe, QC., MP.

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to meet at Ministerial level on 20 April to consider the next steps, which will be overt. By then I shall need to be in a position to announce my decision on the new contribution rate.

I am copying this letter to the Prime Minister, the Secretaries of State for Education and Science, Northern Ireland, Defence, Scotland, Wales, Social Services, Employment and Environment, the Lord Privy Seal and Sir Robert Armstrong.

Gas

W. H. ...

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Prime Minister

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Ms 14/4

MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000
DIRECT DIALLING 01-218 2111/3

MO 20/17/6

13th April 1983

ms

De Wither

Thank you for copying to me your letter of 24th March to Geoffrey Howe concerning the proposed increase in the pension contribution of firemen.

We are in touch about arrangements for emergency cover in the event of industrial action but I should also like to record my view on the quantum of the contribution. In logic, the police and firemen should contribute similarly for similar benefits; though I recognise your difficulties and note your proposal that the contribution rate for firemen should be increased only to 10 $\frac{3}{4}$ % with effect from 1st May 1983. However, with the police and the armed forces already paying a contribution in excess of 10 $\frac{3}{4}$ %, I should be most unhappy to see firemen contribute at less than that rate and I support your intention to hold to the figure.

I am copying this letter to the recipients of yours.

Yours ever
Michael Heseltine

Michael Heseltine

The Rt Hon William Whitelaw CH MC MP

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LOCAL GOV : Pay dr Friedman : Pt 3

11 APR 1983

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Prime Minister

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

Mus 11/4

8 April 1983

C J Walters Esq.
Private Secretary
Home Office

Dear Colin,

FIREMEN'S PENSION CONTRIBUTION RATE

Thank you for your letter of 31 March reporting the outcome of the Home Secretary's meeting with officials of the FBU. I have also seen a copy of your letter of 5 April to Richard Mottram about authorising discussions between interested parties in preparation for possible industrial action.

The Chancellor agrees entirely with the Home Secretary's judgement that the proposals made in his letter of 24 March should not be altered. The intention to raise contributions, in the same way as for the police, was important in minimising the repercussions from the firemen's 7.5 per cent pay settlement in the Autumn, and he believes we should not retreat from it now. To do so would also make for difficulties with the police, where a similar increase in pension contributions was linked with the 1982 pay increase.

The Chancellor also agrees that covert action should be put in hand to prepare the way for emergency cover in the case of industrial action. However, he would be grateful if officials here could be brought in at an early stage on any discussions about costs and their recovery from local authorities, certainly before any irrevocable commitments are made to them.

I am copying this letter to Michael Scholar (No.10), the Private Secretaries to the Secretaries of State for Education and Science, Northern Ireland, Environment, Scotland, Wales, Social Services, Defence, Employment and to Richard Hatfield and Bill Moyes at the Cabinet Office.

Yours sincerely,
Margaret O'Mara

MISS M O'MARA
Private Secretary

CONFIDENTIAL

MS 31/3

HOME OFFICE
QUEEN ANNE'S GATE LONDON SW1H 9AT

31 March 1983

Dear John

ms

FIREMEN'S PENSION CONTRIBUTION RATE

In the Home Secretary's letter of 24 March he explained our proposals for the introduction of a new pensions contribution rate for firemen. He also said that he had agreed to see the President and General Secretary of the Fire Brigades' Union today. Since then you may have seen press reports of a threat by the FBU to seek a mandate from a recalled Union conference on 26 April to hold a series of one day strikes beginning some time before 1 May.

The Home Secretary saw the two FBU officials today as planned. They expressed their concern about their apparent inability to negotiate on the matter and they warned that there was a real threat of industrial action, but otherwise no new points arose. The Home Secretary explained that no final decision would be taken until after the meeting of the Joint Pensions Committee on 18 April, but that he would take note of their position.

The Home Secretary's judgment is that we should not alter the proposals made in his letter of 24 March and we must face the possibility of some form of industrial action by whole-time firemen after 26 April, although there may be some wild cat action before. We understand that there is likely to be some reluctance on the part of many firemen to take industrial action on this issue. To try to ensure that the facts of the case are clearly known at local level we have forwarded details to Chief Executives and Chief Fire Officers with a request that they be brought to the attention of members of brigades.

In view of the time necessary to make the preparations, we must also take covert action to prepare the way for provision of emergency cover using the Green Goddesses manned by troops, and we have taken the first step in this process.

If we have to deploy emergency fire cover there will be a difficult financial problem to be resolved. We have in the past advised fire authorities, whose statutory duty it is to provide fire cover, that they would be expected to pay the costs of preparing and deploying the emergency cover, though in the event these charges were waived both in 1980 and 1982. They will argue that on this occasion it is central rather than local government which has provoked the strike and that once again central government should pay; we shall have some difficulty in refuting their argument but we will press for them to pay at least the cost of deploying the cover to brigade areas. We shall be writing separately about this.

I am sending copies of this letter to Michael Scholar (10 Downing Street), the Private Secretaries to the Secretaries of State for Education and Science,

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Northern Ireland, Environment, Scotland, Wales, Social Services, Defence and Employment, & the Lord Privy Seal and Richard Hatfield (Cabinet Office).

Yours sincerely
C. J. Walters

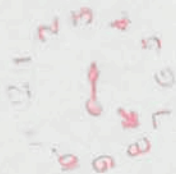
C. J. WALTERS

J. O. Kerr, Esq.

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Local Gov : Pay of Local Authorities = Pt 3
Mammal Workers.

1983





QUEEN ANNE'S GATE LONDON SW1H 9AT

24 March 1983

MBPM

MS 2573

Dear Joffey

FIRE PENSION CONTRIBUTION RATE

I know you will be as disappointed as I was to find that the date for the introduction of a new pensions contribution rate for firemen has had to be put back to 1 May. We could not get all of the extra data from the local authorities as quickly as expected, despite the application of all possible pressure, and it was imperative to allow the unions reasonable time to examine the Government Actuary's revised evaluation of the pension scheme before the statutory consultation, now arranged for 18 April, which must precede the fixing of a new rate.

The revised evaluation puts the value of the scheme at 38% of salary. This happens to be the same figure given by the evaluation of the police pensions scheme on which last year's increases in the police contribution rates were based. The evaluated figures are not as precisely comparable as they appear on the surface but it is clear that an increase in the firemen's contribution rate from 6 $\frac{3}{4}$ % to 11% of salary would be justified and would, I know, be generally appealing to colleagues. However, moving to that rate would mean a greater increase for firemen than that imposed on policemen last September, when the contribution rate for the latter went from 7% to 11% of salary. In view of the longstanding differential between the contribution rates for the two services and the general relationship between them, I am satisfied that a 4% increase in the firemen's contribution rate, to 10 $\frac{3}{4}$ % of salary, would be more equitable and, incidentally, more likely to meet with acceptance, although I cannot be sure of avoiding industrial action. I have accordingly authorised the issue of a paper in which an increase in the contribution rate to 10 $\frac{3}{4}$ % with effect from 1 May 1983 is officially proposed.

This has provoked a request from the President and Secretary of the FBU to see me and I have agreed to see them on 31 March. Subject to what they say then and to the views expressed by the Unions generally and by the local authority at the 18 April meeting, or immediately afterwards, George Younger and I propose to take a decision to amend the firemen's pension scheme, by Order, with effect from 1 May 1983.

/I am

The Rt Hon Sir Geoffrey Howe, QC, MP

I am copying this letter to the Prime Minister, the Secretaries of State for Education and Science, Northern Ireland, the Environment, Scotland, Wales, Social Services, Employment and Defence, the Lord Privy Seal and Sir Robert Armstrong.

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25 MAR 1983

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