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P.01482

Prime Minister (1)

AT 20/1

MR TURNBULL

The Prime Minister asked for a note which she could use as a check list for testing the acceptability of any proposals which the NUM might put forward for settling the coal dispute. This is attached.

PLG

P L GREGSON

30 January 1985

SECRET

Prime Minister ^①

This is the note you commissioned. The key texts are annexed. AT 30/11

Tests to be applied to a proposed settlement of the coal dispute

This note has three sections:

- i. a reminder of the points which the NCB has already publicly conceded;
- ii. a list of the points which the NCB will need to secure;
- iii. a list of the points which the NCB should reject.

Points already publicly conceded

2. The NCB cannot easily go back on its public acceptance of the ACAS compromise proposals of 12 October^①, as modified in the NCB's statement to NACODS of 23 October^②. The essential points were as follows.

i. The NCB will "re-examine" its 6 March proposals for the industry and the individual areas" in the light of changed circumstances". (The words used to NACODS were "will be reconsidered - in concert with all the Unions - in the light of the loss of output which has occurred as a result of the dispute and the changes in the needs of the market arising also from the circumstances of the dispute".)

ii. The five pits will "continue in operation" and any future decisions relating to them will be dealt with in accordance with the new colliery review procedures. "will remain open" in NACODS version.

iii. The colliery review procedures will provide for closure "by joint agreement" of two categories of pit ("exhausted in line with the principles set out in the Plan for Coal" and "facing geological difficulties, ie safety"). Any other pit can be brought forward to be dealt with "for discussion and investigation in line with the principles of the Plan for Coal" under the Colliery Review Procedure, "amended to include as a final stage an independent Review Body whose function will be to consider a reference on any closure matter ... about which there is disagreement. Full weight will be given to the advice of this independent review body". (The statement to NACODS

includes some refinements about early warning and access to information but also an important concession that not just closure proposals but also any "conflict over investment or other operational decisions" which "might lead to a foreshortening of a colliery's life expectancy" can be referred to the independent review body.).

iv. The NCB and the unions "will jointly discuss the Plan for Coal and any proposed revision".

Points to be secured

3. The most important point to be secured is that referred to in the Proc NCB statement of 24 January:

"The proposals must establish that the NUM recognise that management must deal with the problem of uneconomic capacity and that the NUM will cooperate in this essential task, recognising the other commitments that the Board are prepared to make on the future of their employees and the industry."

4. Other points which ought to be resolved are:

- i. a lifting of the overtime ban;
- ii. acceptance of the NCB's 1983/84 pay offer of 5.2 per cent;
- iii. assuming that the NCB is prepared to make the NUM an offer of 5.2 per cent for 1984/85 as already made to BACM and NACODS, acceptance of that offer.

5. It may be suggested that the NCB should try to secure an undertaking from the NUM that it should not victimise the working miners. It is however difficult to see how this could be done without conceding too much on an amnesty for those NUM members who are guilty of criminal or disciplinary offences (see below). (It may be better to rely on the difficulty which the NUM would have in disciplining at least 78,000 miners, their reluctance to provoke a split in the union and the protection which the courts may be able to offer since there was no national strike call valid under the NUM's rules.)

Points to be rejected

6. The following points should be rejected:

- i. any statement that the NUM is opposed to the closure of uneconomic pits, except in a form which acknowledges explicitly (not just tacitly) management's right to go ahead with closures, having gone through the agreed revised procedures (see paragraph 3 above);
- ii. any moratorium on closures, or on the bringing into effect of the revised colliery review procedures, whether for a specified period or pending agreement on a new Plan for Coal;
- iii. any commitment to abide by the existing Plan for Coal, as opposed to "the principles of the Plan for Coal" or "the principles of the Plan for Coal and its associated documents";
- iv. any commitment to agree on (as opposed to discuss and explore the possibility of) a new Plan for Coal;
- v. any commitment to a new inquiry into the coal industry or energy policy more generally;
- vi. "withdrawal" as opposed to "re-examination" or "reconsideration" of the 6 March proposals;
- vii. agreement that the "five pits" should be allowed to "complete the objectives previously prescribed for them" or that "existing understandings regarding development" of these pits should be "honoured";
- viii. if possible (despite the concession discussed by the NCB), insertion of the words "by the parties" in the sentence: "Full weight will be given to the advice of this independent review body", so as to preserve the position that the final decision on closure rests with NCB management;

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ix. an amnesty for those already dismissed for criminal and disciplinary offences since the strike began and an undertaking not to dismiss those against whom similar criminal and disciplinary charges are pending (as opposed, possibly, to a willingness by NCB management to review some individual cases).

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Consolidated text negotiated between NCB and NUM,
incorporating ACAS version of para 3(e) tabled on
12 October 1984.

A

The NCB and the NUM have examined the current situation in an effort to resolve the present dispute and provide a basis for the future of a sound industry.

1. On 6 March the NCB put forward proposals designed to influence the prospects of the industry and to equate production with market requirements. There have been losses of output resulting from the dispute and changes in the needs of the market. In the light of the changed circumstances the Board will re-examine the proposals for the industry and revise the objectives for the individuals areas.

will withdraw
in NUM
version

2. The following collieries referred to specifically by the NUM namely (a) Polmaise (b) Herrington (c) Corton Wood (d) Bullcliffe Wood and (e) Snowdown will continue in operation. Any future decisions relating to these (and other collieries) will be dealt with in accordance with the guidelines under Section 3 below.

3. In order to establish more clearly the parameters in respect of exhaustion of reserves - in line with [the principles of] the Plan for Coal - it is agreed that in the future the following categories and procedures will apply:

[]
Not agreed
by NUM

(a) Collieries which are exhausted in line with [the principles set out in] the Plan for Coal will be closed by joint agreement.

(b) Collieries facing severe geological difficulties ie safety again in line with [the principles of] the Plan for Coal will be closed by joint agreement.

(c) Any other colliery not covered by 3(a) and 3(b) above may be brought forward by either party for discussion and investigation in line with the principles of the Plan for Coal under the Colliery Review Procedure. The Colliery

ACAS
version

Review Procedure will be amended to include as a final stage an independent Review Body whose function will be to consider a reference from any one of the parties to the procedure on any closure matter arising under Clauses (a), (b) and (c) above about which there is disagreement. Full weight will be given to the advice of this independent review body.

4. On the basis of the above arrangements the NCB and the unions will jointly discuss the Plan for Coal and any proposed revision. It is agreed that these discussions will seek to identify the basis for jointly establishing the developing and expanding coal industry equipped to meet future energy requirements.

B

STATEMENT OF NATIONAL COAL BOARD PROPOSALS
AT MEETING WITH NACODS, TUESDAY 23RD OCTOBER 1984

Introduction

The Board accept entirely that a major component in the management of the industry depends on understanding and trust between the Board and NACODS. It is the Board's wish that such trust should be established and maintained.

You opened this morning by referring to a number of items previously discussed and I think agreed satisfactorily between us and indeed the Board's attitude confirmed to you in recent correspondence. However, I will refer to them again so that there may be no misunderstanding.

Officials' Attendance at Work - 1974 Guidelines

The Board have withdrawn the 15th August statement and management have been instructed to observe the pattern of behaviour which had been established in each Area with regard to the 1974 guidelines. Arising out of this affirmation, management has been instructed that payments arising shall be paid retrospectively to all Officials.

The points raised in this connection by you this morning will be pursued immediately. We hope to clarify the position later today.

It is our intention that all shifts in compliance with the 1974 guidelines are to be paid. If there are questions of compliance these must be resolved promptly.

Conciliation Procedure

The Board do value the conciliation procedure and it is our intention that it should be operated constructively and fairly at all times and at all levels of management.

As Mr. Jones observed this morning, the essence of this will be seen in the future but you may be assured of the Board's intent to obtain an arrangement satisfactory to both parties.

Supervision of Work in Cavities - The Hammond Case

As previously stated by the Board to you, we reaffirm that it is our intention that the Hammond case shall be pursued constructively along the lines as stated by Mr. Cowan in his letter of 17th July.

It is the Board's purpose that the case shall go to the House of Lords only on the basis of clarifying the legal ruling.

Closed Shop

As previously stated in our letter to you of 27th September, the Board acknowledge that we do at present recognise with you a de facto closed shop. The Board agree that this arrangement should continue into the future. Should the Association seek a formal agreement on this matter, however, it would have to be undertaken in compliance with current legislation.

The Five Pits

The Board undertake that Polmaise, Herrington, Bulcliffe Wood, Cortonwood and Snowdown will remain open to be considered in common with all other pits under the Co@liery Review Procedure.

March 6th Proposals

Again, as stated in our earlier discussions with you, the March 6th proposals will be reconsidered - in concert with all the Unions - in the light of the loss of output which has occurred as a result of the dispute and the changes in the needs of the market

arising also from the circumstances of the dispute. The Board will reconsider the proposals for the industry and revise the objectives for the individual Areas. A new set of objectives will be prepared for each area to reflect the production possibilities available at the time the dispute ends.

Colliery Review Procedure - Independent Review Body

The Association has asked for a revision of the Colliery Review Procedure to ensure that it operates effectively and fairly within the industry. In your document of 26th September you asked specifically for:-

- (i) An early warning procedure where local members believe their colliery is deliberately, by various means, being run down as a prelude to closure investigations.
- (ii) Inside the Colliery Review programme, greater availability to Branch Officials, when preparing a case to oppose closure, of time and facilities to information.
- (iii) Any final notice of closure to be issued would allow National Officers time to consult the membership.
- (iv) Any final closure notice not agreed between the NCB and the Association to be subject to an appeal to an independent body.

As previously stated, the Board are very ready to re-examine the Review Procedure and to adopt any amendments which will improve its effectiveness. The Association will appreciate, of course, that this must be done in a way which will meet with the approval of all the parties concerned, including NUM and BACM.

The Board believe that the procedure as it stands is unique and is something that we should all make work. This will, of course, require the active effort of all the parties, not just that of management.

You clearly are concerned that the arrangements should work so that at local colliery level as well as area level there will be an early and continuing understanding of the prospects of the pit concerned. We believe our plans should be readily understood and updated in the form of two year plans reflecting both market and production opportunities. We believe that if this is done it should remove the fear you have that actions will be taken covertly which would shorten the life expectancy of a pit without reaching an understanding among all the parties concerned.

Given that this is done we would expect that there should not be conflict over investment or other operational decisions. If, however, such conflict arose, that could be dealt with from that early stage within the Review Procedure so that all parties could be given ample time to brief themselves adequately.

If, at the end of this process, the matter was still in conflict and might lead to a foreshortening of a colliery's life expectancy, this question, as has already happened in the past, can be referred for national consideration and, indeed, would then be subject to the Independent Review Body and full weight given to its findings, just as would be the case in any question of a distinct closure closure proposal.

23rd October 1984

... of the NOB STATEMENT

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If, following the meeting of the NUM National Executive Committee, the National Coal Board receives written indication that they are prepared to help resolve the problem of dealing with uneconomic capacity, the National Coal Board will be prepared to re-enter negotiations with a view to resolving the current dispute.

The proposals must establish that the NUM recognise that management must deal with the problems of uneconomic capacity and that the NUM will cooperate in this essential task, recognising the other commitments that the Board are prepared to make on the future of their employees and the industry.