



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY  
Telephone 01-407 5522

*From the Minister of State for Social Security and the Disabled*

Rt Hon Kenneth Clarke QC MP  
Paymaster General  
Department of Employment  
Caxton House  
Tothill Street  
LONDON  
SW1H 9NF

10 JUN 1986

R11/6  
PPS.

Dear Ken,

FILE ATTACHED

Since your letter of 23 May in reply to Norman Fowlers' letter of 18 May in which he sought agreement to action he proposed to take over picketing at Huyton local office, events have moved rapidly, and the situation has now changed.

In the first place, the ACAS talks were unproductive and the upshot was that on 23 May Donway, the cleaning firm at the centre of the dispute, withdrew from the contract at Huyton. Their action was hardly surprising; they have contracts elsewhere in the Liverpool area which were threatened if the dispute had continued for any length of time. In view of the efforts made by Donway to honour the contract we gave no thought to invoking any penalty clauses.

Donway's withdrawal left the local office without any cleaning services. In order to reduce the amount of cleaning required under self help measures the manager felt obliged to close the office to the public. Until last week, as I will explain later, the office continued on this basis, offering an emergency visit service to the public.

Management in North West Region have been exploring the options open to them to secure cleaning of the office, if necessary on a short term basis, so that a full service to the public can be resumed. This has not proved easy since the publicity the dispute has received has made other cleaning firms reluctant to tender for the contract. In the event only two firms have been found who are willing to take on the job. One is a large established company who tendered for the original contract won by Donway. They were one of the three companies approached from the original tendering competition but the only one prepared to take the contract. They pay the rates approved by TGWU and propose to employ the six cleaners remaining from the previous contract who are at the centre of the dispute. The other firm are a much smaller concern, not one of the original tenderers, who are very keen for business. They had been discussing possible business generally with our Regional Office and the possibility of working at Huyton cropped up. They do not pay the sort of rates approved by the TGWU and would not employ the previous cleaners. To award them the contract would merely be to invite a re-run of the Donway situation and we do not propose to do so.

**E.R.**

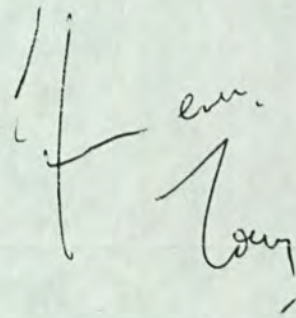
Legal Opinion is that we are free to approach a contractor who was unsuccessful in the last tendering exercise as an alternative to instigating a fresh one, which points us very firmly in the direction of the larger company.

The latest development has been that during the night of 3/4 June the water tank on the roof of the building overflowed, damaging the electrical system and the pump which pumps the water up into the tank. Early estimates are that the damage will take a week to repair but we are seeking to improve on this. The building was originally uninhabitable and staff were sent home. Measures are in hand to provide an emergency service, but many of the staff have in fact continued working.

This latest mishap has made a very serious situation even more urgent. Emergency cleaning of the damage is imperative and I have decided to respond to the realities of the situation and authorise management to negotiate a contract with the sole acceptable firm who are prepared to take up the contract. Since they pay the Union rate and they intend to employ the redundant cleaners we seem unlikely to meet any further problems from TGWU. There had been some suggestion that staff would resist the re-employment of the six cleaners because of their behaviour on the picket lines. But the local management judge that although staff attitudes are mixed, a majority of staff would accept the return of the six cleaners if it led to an end to the dispute.

Thus we may be nearing the end of what has been a thoroughly unsatisfactory episode in which we have found ourselves caught up in an industrial dispute to which we were not direct parties. The fact that we now seem to have a solution that does not involve the unwelcome prospect of a legal conflict with the TGWU is at least to be welcomed, but I was grateful for the advice and support of colleagues when legal action seemed imminent. We have arrangements in hand to ensure that a draft "letter before action" is prepared, so that, if, contrary to our expectations, we run into trouble with the TGWU we can take immediate steps to prevent further damage to social security services on Merseyside. We shall not of course court a legal confrontation, but I do not believe the Government could tolerate renewed provocation from the TGWU locally without making a firm response.

I am copying this letter as before.



The signature is handwritten in black ink. It consists of a large, stylized 'T' followed by 'ony'. Above the 'ony' part, there is a smaller signature that appears to be 'em.' or 'em.'. Below the main signature, there is a small mark that looks like a comma or a short stroke.

TONY NEWTON

ECON POL

REUNIFICATION

PTID