

PS/PUS (B & L)

COST OF THE UUAC STRIKE

1. On 19 May Mr Buxton asked Mr Kidd to consider the Secretary of State's request for an "estimate of the total cost of the UUAC strike".
2. You have already received a copy of Dr Black's note of 16 May (circulated under cover of Dr Quigley's minute to Mr Farrington of 18 May), which includes an estimate of the direct cost of the strike to the private sector in terms of lost Gross Domestic Product (£15 million - £16 million at current prices). We have now received from all Departments estimates of the public sector costs of the stoppage, (copy attached). The overall estimate of £1.55 million includes a DHSS estimate of £63,000 for additional benefit expenditure, an estimate of £500,000 for additional RUC costs and an estimate of £200,000 for additional Army costs. The estimate of additional Army costs is based broadly on the experience of the 1974 UWC strike, making allowances for inflation and discounting certain costs not incurred this time, such as the manning of petrol stations.
3. By adding the public sector and private costs together, we arrive at an overall estimate of the cost of the strike of £16.55 million - £17.55 million. Dr Black's estimates of GDP loss includes certain losses which are also included in the DOE return on public sector costs (ie those attributable to Ulsterbus/Citybus, Sealink, NI Carriers and NI Railways). Subtracting these costs (totalling £470,000) from the above total leaves an approximation of the total cost of the order of £16 million - £17 million.
4. It cannot be stressed too heavily, however, that this is very much "a guesstimate" of the cost of the strike. Dr Black has already expressed his caveats about the GDP estimates. The public sector estimate includes a figure for additional Army costs which is only the roughest of estimates. It has not been possible, moreover, to calculate the indirect costs of the strike. Mr Kidd would support Dr Quigley, therefore, in recommending that these estimates should not be quoted publicly. Should a request for information about the cost of the strike be received, eg via a PQ, these calculations would have to be re-examined before any figure was made public.

M. T. H. Maxwell

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PS/Mr Kidd

THE UUAC STOPPAGE: SUMMARY OF DEPARTMENTAL ESTIMATES OF COSTS TO THE PUBLIC SECTOR

| A. <u>Northern Ireland Departments.</u> | | <u>Loss/(saving)</u> | <u>Cause/Remarks</u> |
|---|--|----------------------|---|
| <u>Department/Public body</u> | | <u>£000</u> | |
| 1. | Department of Finance | NIL | Overtime, travel and meals |
| 2. | Department of Agriculture | NIL | Staff costs, overtime etc. |
| 3. | Department of Education | NIL | |
| 4. | Department of Manpower Services | (9.0) | Non-Payment of allowances to trainees and apprentices. |
| 5. | Department of the Civil Service | 35.4 17.4 | Overtime) for all NI Depts. Other costs) May be some further staff costs which should be small. |
| 6. | Department of Health & Social Services | 63.0 | Additional benefit expenditure. |
| 7. | Department of Commerce | | |
| | (a) N.I.E.S. | 95.0 | Running tests and overtime |
| | (b) Larne Harbour Ltd | 20.0 | Loss of revenue |
| 8. | Department of the Environment | | |
| | (a) DOE | 0.2 | Damage |
| | (b) District councils | 4.0 | Damage (excludes Belfast D.C. who have not completed their costing). |
| | (c) Ulsterbus/Citybus | 200.0 40.0 | Loss of revenue (gross) Burnt buses. Does not include claim for death of driver. |
| | (d) NI Railways | 20.0 2.0 | Loss of revenue (gross) Damage |
| | (e) Sealink | 200.0 | Loss of revenue (gross) |
| | (f) NI Carriers | 50.0 | " " " " |
| | (g) Townsend Thoresen | 100.0* | " " " " |
| | (h) Private road haulage industry | 250.0* | " " " " |
| TOTAL FOR NI DEPARTMENTS | | 738.0 ⁺ | |

*Not public bodies: not included in total.

+Does not include Army total (see over) which will presumably be received from DOC.

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B. Northern Ireland Office.

| | <u>Cost to</u> | <u>Loss</u> | <u>Cause/Remarks</u> |
|----|------------------|--------------|---|
| | | £000 | |
| 1. | NIO UKCS | 2.2 | Overtime, travel and meals |
| 2. | NIO NICS | 1.9 | Staff costs, overtime etc. |
| 3. | Police Authority | 4.0 | " " " " |
| 4. | RUC | 500.0 | Rough estimate of cost of overtime, canteens, petrol etc. |
| 5. | Army | 200.0 | Rough estimate: see Mr Bell's minute of 27 May 1977 to Mr Kidd. |
| | NIO TOTAL | 708.1 | |

C. Overall total cost to public sector.

| | | £000 | |
|----|----------------|-----------------|---|
| 1. | NI Departments | 738.0 | see above |
| 2. | NIO | 708.1 | see above |
| 3. | Miscellaneous | 100.0 | eg Belfast District Council, claim for death of bus driver, additional staff costs. |
| | TOTAL | 1,546.1* | (say £1,550,000). |

*A fire at the Ballymena depot of NI Carriers caused £400,000 damage. The fire took place after the stoppage was over and no connection has been proved, but there may well have been a link. Nothing has been included to cover this possibility.

"A preliminary" of the cost of the strike. Dr Black has already expressed his concern about the GIP estimate. The public sector estimate includes a figure for additional army costs which is only the product of estimates. It has not been possible, however, to calculate the indirect costs of the strike. Dr Bell could support Dr Gilroy, therefore, in recommending that these estimates should not be quoted publicly. Would a report for information about the cost of the strike be received, or via a PJ, these calculations would have to be re-examined before any figures were made public.

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