

CONFIDENTIAL

cc: PS/Chief Secretary  
PS/Financial Secretary  
Sir Douglas Wass  
Sir Anthony Rawlinson  
Mr Le Cheminant  
Mr Kitcatt  
Mr St Clair  
Mr I P Wilson  
Mr Pickering



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

The Rt Hon Michael Heseltine, MP  
Secretary of State for Defence

26 January 1983

*N. B. P. R.*

A handwritten signature in dark ink, appearing to read 'Michael Heseltine'.

*A. & C. 3/11*

GIBRALTAR DOCKYARD - REDUNDANCY COMPENSATION

Now that the Home and Social Affairs Committee has decided to delay the introduction of the proposed Civil Service and Related Bodies (Redundancy Compensation) Bill in favour of a longer Bill later, I thought it would be useful, in order to round off the correspondence, to send you a reply to John Nott's letter of 25 November about assurances given to employees of Gibraltar Dockyard.

As the H paper noted, the Bill, if passed, would not have cut across the assurances given in Gibraltar, although no doubt some explanation would have had to have been offered locally when the Bill was published and the assurances might have had to have been renewed. In this respect, the assurances would have been quite different in nature to those given to the staff of the National Maritime Institute for which we are considering an exception in the legislation itself.

It now looks as if we shall be introducing a longer Bill next Session, but there remains the possibility, if things start to go wrong, that we may still have to bring forward the limited Bill at short notice. You would be involved in such a decision. In such circumstances I should, of course, have no objection to your department renewing the assurances that have already been given, on the lines agreed, to the employees in Gibraltar, nor indeed to your renewing the assurances at any other time if you think it would be useful to do so.

I am sending copies of this letter to other members of the Cabinet and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to read 'Geoffrey Howe'.

GEOFFREY HOWE

GIBRALTAR: Polling towards Gibraltar; Pe 3-

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*RCRJ*  
*Gibraltar*

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MO 5/16

9th February 1983

*de Buffo*

*N. A. J. R.*

*AP 14/2*

GIBRALTAR DOCKYARD - REDUNDANCY COMPENSATION

Thank you for your letter of 26<sup>th</sup> January.

I am pleased that this issue has now been resolved. As you know, the assurances we had given on the entitlement to redundancy compensation were vital to the process of gaining the support of both the workforce and the Gibraltar Government for the commercialisation of the Dockyard.

I agree that if it is necessary to introduce a limited Bill during the current session we will need to renew our assurances on redundancy payments, particularly if at that time redundancy notices have still to be issued.

I am copying this letter to the recipients of yours.

*Yours*

*[Signature]*  
Michael Heseltine

The Rt Hon Sir Geoffrey Howe QC MP

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4 FEB 1983

