1. Mr Gordon - to see
2. File 66 - BLJ/1

Dr Harris
Dr Walford
Mr Harley

PFC, LIBERTON

1. On 18 March I visited Liberton with Mr Paine (Principal) and Mrs Burgess (HEO) of P Division. At Liberton, in addition to touring the factory, we had long informal discussions (as a group) with Mr Watt (Director), Mr S[illegible]ell (SHHD P Division), Dr Gilvray (SHHD) and were joined for part of the time by Mr Dickson, Chairman of PFC's joint shop-stewards' committee. On 19 March I met Mr Finnie (SHHD) to discuss matters further.

2. The visit had been arranged to explore informally the likelihood of the Common Services Agency being able to negotiate a shift-working agreement with PFC staff. This note records my immediate impressions of the discussion and will be of interest to those primarily concerned with the redevelopment of BPL.

3. It would be wrong to hide the acrimonious atmosphere in which the meeting started. Mr Watt had been told of the PSG's decision to plan BPL to meet the needs of England and Wales. He thought that this was wrong and would jeopardize the viability of PFC as a manufacturing unit.

4. PFC needs at least a two shift system to enable it to meet Scotland's needs for blood products in the coming years. It intends to introduce such a system in July/August in order to build up a reserve stock to cover those periods later in the year when the Centre's manufacturing will be severely disrupted by an upgrading programme required by the Medicines Inspectorate. Terms have not yet been agreed with staff for this period of shift working; I suspect the sort of ad hoc premium payment agreed for the recent "experiment" might be paid.

5. The staff side seemed keen to work a shift system (three shifts if necessary), national union policy not withstanding - ASTMS nationally is firmly against shifts. However, it seemed clear to me that they are not prepared to negotiate shift rates based on existing salaries (and SHHD P Division officials seemed to support this). They see a separate shift working agreement as compounding errors in the basic pay and grading structure of the Centre. (The premium rates offered some years ago for shift working $12\frac{1}{2}$ - 25% addition to basic rates were rejected out of hand.) What the staff side want, and what Mr Watt is planning with assistance from SHHD, is a total review of PFC's grading/pay taking into account industrial analogues in the pharmaceutical manufacturing industry. In Mr Watt's view this would result in much higher pay for the top band of heads of Departments, Quality Control etc. Middle-grades (including some MLSOs) might need to be put on protected salaries; the pay of process workers (currently ancillaries) would double. On the question of subsequent salary increases, PFC's staff would seem to want the best of both worlds - either the same rise as their industrial analogues or the same as the NHS, whichever was better! A permanent shift-working agreement did not seem to be negotiable outside such a review.

6. I must be frank and record that I found SHHD P Division officials' attitude puzzling and naïve. They argued that PFC is unique in Scotland and should be treated as such, irrespective of national Whitley agreements. They did not accept that there would be a knock-on effect, not only at the Central Blood Laboratories but in other NHS manufacturing units and possibly hospital laboratories. The comparison exercise described above is now being carried out by Mr Watt and will be submitted to SHHD as a formal proposal before the summer. At that stage SHHD will seek P Division's views.

Capital Costs of Upgrading/Redeveloping PFC

7. Mr Finnie (SHHD) told me on 19 March that the Common Services Agency had not yet agreed - nor even studied in detail - any upgrading programme required as a result of the Medicines Inspectorate's report on PFC. Mr Watt had told me that it would cost about £6.9million to meet the Medicines Inspectorate's requirements for Good Manufacturing Practice and, at the same time, enable PFC to meet Scottish needs for blood products in the 1980s. He suggested that an additional £1.3million would be required to meet English needs (if PFC serviced 4 Northern English RHAs). Mr Finnie seemed to be thinking in terms of an upgrading programme of £1m - £2m bearing in mind what had been achieved for this sum at BPL.

8. The figures above exclude revenue costs. PFC currently has 115 staff. If working a full two shifts system, and meeting the recommendations of the Medicines Inspectorate regarding substantial increases in staff dealing with quality control, quality assurance etc, Mr Watt expects the number of staff to rise to 300. He thought that 450 would be required for a 3 shift system. Again Mr Finnie had some doubts about whether this was necessary.

Summary

9. This was not a negotiating meeting and it would be premature to rule out completely any prospect of a permanent shift-working agreement at PFC. However, given that (1) both staff and management say that shift-working terms cannot be negotiated as a separate package and that a complete regrading is a pre-requisite to meaningful discussions on shifts; and (2) though the regrading exercise itself might be completed by the summer it will need to be considered very carefully by SHHD and DHSS and may not be acceptable to either,

I would endorse the PSG's view that the new BPL should be planned to handle all of England and Wales' plasma. It is by no means certain that PFC will have a permanent shift-working system which would give it the capacity to handle English plasma. Indeed the odds must now be slightly against it.

GRO-C

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