


PREM 19/187



Confidential File

Pay Comparability and the future of the
Standing Commission. Clegg Commission Reports.

ECONOMIC POLICYPart 1: May 1979Part 2: September 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
24.9.79		18.6.80					
25.9.79		26.6.80					
10.10.79		27.6.80					
27.10.79		30.6.80					
30.10.79		1.7.80					
4.1.80		ends					
21.1.80		PREM 19/187					
22.1.80							
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13.6.80							
19.6.80							
25.6.80							

● PART 2. ends:-

PM to T.G.P. Rogers 1-7-80

PART 3 begins:-

T.G.P. Rogers to PM 4-7-80.

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
E (79) 49	26.10.1979
E (79) 14 th Meeting, Minute 2	30.10.1979

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate **CAB** (CABINET OFFICE) CLASSES

Signed Wayland

Date 18 February 2010

PREM Records Team

Published Papers

The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

1. Cmnd. 7850: Standing Committee on Pay Comparability, Report No 4:
Professions supplementary to medicine
Published by HMSO, March 1980
2. Cmnd. 7851: Standing Committee on Pay Comparability, Report No 5:
British Waterways Board salaried staff
Published by HMSO, March 1980

Signed AWayland Date 18 February 2010

PREM Records Team



10 DOWNING STREET

cc:- D/M

THE PRIME MINISTER

1 July 1980

Dear Mr. Byers,

I am writing to thank you for agreeing to serve as a member of the Standing Commission on Pay Comparability and to confirm your appointment. I am sorry that it has not been possible to finalise the arrangements earlier. The appointment will run from 1 July 1980 and can be terminated subject to three months' notice on either side.

Full details of the conditions of the appointment will be sent to you shortly by the Department of Employment who will be happy to deal with any immediate queries you may have. The Commission's secretariat is provided by the Office of Manpower Economics; and the Commission's Secretary is Mr. David Brown who, I understand, will be contacting you soon about your work on the Commission.

Yours sincerely
Margaret Thatcher

T.G.P. Rogers, Esq.



Econ 002

PRIME MINISTER

PRIME MINISTER

You agreed that Mr. Parry Rogers' appointment to the Comparability Commission should now be implemented. I attach a letter of appointment for your signature.

We will announce the appointment tomorrow.

MP

30 June 1980



Leon PA

Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Nick Sanders Esq
Private Secretary
10 Downing Street
LONDON SW1

*Type for PM PL
MJA*

27 June 1980

Dear Nick

APPOINTMENT TO COMPARABILITY COMMISSION

I attach a draft letter for the Prime Minister to send to Mr Parry Rogers, confirming his appointment to the Comparability Commission. I also attach a Press Notice which your Press Office might consider issuing as soon as Mr Rogers has received the Prime Minister's letter, and some answers to possible questions. Ideally, an announcement should be made on 1 July, when the appointment starts.

*Yours sincerely
John Anderson.*

J ANDERSON
Private Secretary

T G P Rogers Esq MA FBIM CIPM AMIPR
158 Park Road
Chiswick
LONDON W4 3HP

I am writing to thank you for agreeing to serve as a member of the Standing Commission on Pay Comparability and to confirm your appointment. I am sorry that it has not been possible to finalise the arrangements earlier. The appointment will run from 1 July 1980 and can be terminated subject to three months' notice on either side.

Full details of the conditions of the appointment will be sent to you shortly by the Department of Employment who will be happy to deal with any immediate queries you may have. The Commission's secretariat is provided by the Office of Manpower Economics; and the Commission's Secretary is Mr David Brown who, I understand, will be contacting you soon about your work on the Commission.

Draft Press Notice

APPOINTMENT TO STANDING COMMISSION ON PAY COMPARABILITY

The Prime Minister ~~has today~~ ^{yesterday} appointed Mr Parry Rogers as a member of the Standing Commission on Pay Comparability, to assist the Commission with its current work. Mr Rogers is Personnel Director of the Plessey Company.

July 1980

DRAFT

NOTES TO EDITORS

1. The Standing Commission on Pay Comparability was set up in March 1979 to examine the terms and conditions of employment of groups of workers referred to it by the Government, and to report in each case on the possibility of establishing acceptable bases of comparison. It has issued reports on a number of groups including Local Authority manual workers, nurses and midwives and teachers.

2. The Chairman of the Commission is Professor Hugh Clegg, former professor of Industrial Relations at Warwick University, now Research Fellow there with the title of Professor. The other members are:

Mr Peter Gibson - retired, former Director of Personnel and Administration at BP Oil Ltd;

Professor Joan Mitchell - Professor of Political Economy at the University of Nottingham;

Mr Harry Urwin - Deputy General Secretary of the TGWU and member of the MSC and ACAS Council.

3. There have been vacancies on the Commission since the resignation of Sir Leslie Williams and Sir William Ryland in April. ^{1/4}The appointment is part-time. Remuneration will be £2,250 a year.

4. Mr Rogers is Personnel Director of the Plessey Company Ltd and Director of other companies in the Plessey Group. He has been a member of the Employment Appeal Tribunal since 1978.

5. The Commission has 13 outstanding references to complete.

POSSIBLE QUESTIONS TO NO 10 PRESS OFFICE

Does this appointment signify that the Government has decided to retain the Commission in the long term?

The Commission has a number of outstanding references to complete. The Government has the future of the Commission under review. There are no present plans to make further references to the Commission.

Will the Government appoint a new Chairman when Professor Clegg leaves at the end of September?

It is too early to say. The Government has not yet reached a decision about the future of the Commission.

Why has the Government not appointed a trade unionist to replace Sir Leslie Williams?

The Government has so far been unable to find a suitable trade unionist who is available to serve on the Commission. (For Press Office information only - Mr Harry Urwin, the other trade unionist on the Commission, has given notice of his resignation from 31 August. This is not publicly known and should not be divulged.)

Remaining references

The Commission has outstanding references on the following groups of workers:-

Ambulance Officers

University technicians

University teachers

Local authority electricians (Scotland)

Local authority building and civil engineering employees (Scotland)

Local authority plumbers (Scotland)

Local authority electricians (England and Wales)

Local authority building trade operatives (England and Wales)

Scottish local authority chief officials

Justices' clerks' assistants (outside inner London)

New towns staff

How long does the appointment last?

The appointment can be terminated subject to three months' notice on either side.

It is noted that the Commission has decided to retain the Commission in the local level.

The Commission has a number of outstanding references to consider. The Government has the right of the Commission in the future to make further references to the Commission.

It is noted that the Government has a new Chairman who will be in charge of the Commission.

It is noted that the Government has not yet received a decision about the future of the Commission.

It is noted that the Government has not received a decision about the future of the Commission.

The Government has to be prepared to find a suitable replacement for the Chairman of the Commission. The other members of the Commission, who have not yet been appointed, should be considered for the Commission.

References

The Commission has referred references in the following areas of reference:

- Technical references
- University references
- Local authority references (Scotland)
- Local authority references and civil engineering engineers (Scotland)
- Local authority references (Scotland)
- Local authority references (England and Wales)
- Local authority references (England and Wales)
- Local authority references (England and Wales)
- Local authority references (England and Wales)
- Local authority references (England and Wales)
- Local authority references (England and Wales)

References

The Commission can be contacted subject to three months' notice on other days.

MFJ
CONFIDENTIAL

Blank

26 June 1980

The Prime Minister has seen the Secretary of State for Employment's further minute of 23 June about the immediate future of the Clegg Commission.

As you will know there was some discussion of this in E this morning, which will be reflected in the minutes. I am writing now to confirm that the Prime Minister is content for the appointment of Mr. Parry Rogers to be implemented in order to enable the Commission to continue its existing work programme.

I am sending copies of this letter to Martin Hall (HM Treasury), Jim Buckley (Lord President's Office) and David Wright (Cabinet Office).

MAP

Richard Dykes Esq
Department of Employment

CONFIDENTIAL

Sc.

Original filed /
Econ Pol. July '79 Pub Serv
Pay

SECRET

Ref. A02244

PRIME MINISTER

Public Sector Pay

(E(80) 46, 48, 49, 53, 55, 56 and 59)

BACKGROUND

The Committee will resume their discussion of public sector pay which was centred on the CPRS paper on the main issues (E(80) 55). At the last meeting they dealt with the Civil Service, the Armed Forces and the National Health Service. In addition to the papers the Committee had last time there is a note by the Lord President of the Council (E(80) 59) covering a paper by officials on the possibility of changing the membership and the terms of reference of the three pay review bodies (asked for last time) and a minute of 23rd June from the Secretary of State for Employment on the Glegg Commission.

HANDLING

2. You might open the discussion by reminding the Committee which sectors were covered at the last meeting and proposing that, again, the CPRS paper E(80) 55 should be used as an annotated agenda.

Prison Officers, Policemen and Firemen (paragraphs 7(e), 8(f) and 8(g) of E(80) 55)

3. The pay of prison officers is determined as an average of all Civil Service increases. Police pay is index-linked and is not cash limited. The settlement date is September 1980. Firemen's pay is also indexed and is not constrained by the general local authority cash limit. Their settlement date is November.

4. The Home Secretary will wish to comment on the case for maintaining special treatment for policemen and firemen (he has discussed the former with the Chancellor of the Exchequer since the last meeting). He will also wish to comment on whether any special consideration should be given to prison officers in view of the serious consequences of disruption in the prison service. Both he and the Secretary of State for the Environment will wish to comment on the

SECRET

possibility of seeking to influence local authorities on the arrangements for the firemen. The likely outcome for these three services is that the present arrangements will have to continue.

Local authorities and teachers (paragraphs 9(h) and (i))

5. In effect the constraint is the Rate Support Grant cash limit which has to be settled by November. Subject to any points the Secretary of State for the Environment makes there is probably nothing more to be discussed at this stage. He will be reporting early next month on the options for dealing with the likely overspend in the current year.

6. For teachers, Ministers will have to decide on the current claim when the arbitration awards are available (probably the last week in July). If the Committee were disposed to pursue the longer term possibility of legislating to withdraw the right to arbitration, it would be necessary to involve the Secretary of State for Education before any decision could be taken.

Nationalised industries (paragraph 9(j))

7. The main constraints are the external financing limits. The main question is whether these should be set in November, as last year, in order to influence the pay negotiations, or later. The Chancellor of the Exchequer will wish to speak on this and on his proposals in paragraph 21 of E(80) 46 - tight pay assumptions in the 1981-82 EFLs to be announced this autumn (though the pay assumptions would not be made public); pressure on chairmen to hold settlements to these assumptions; a requirement on all the nationalised industries to adopt performance targets related to costs per unit of output before the autumn.

8. The Committee may well favour the Chancellor's approach here (and he would I know welcome a specific endorsement recorded in the minutes). You could also invite him to supervise further work through his E(NF) Sub-Committee.

The future of the Clegg Commission (paragraph 10(k))

9. The Secretary of State for Employment will wish to enlarge on his minute to you of 23rd June, which points to the difficulties of maintaining sufficient members of the Commission to complete the present reviews, and advises that the Commission should be wound up when its present references

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are completed. This would be a popular move with your supporters in Parliament and the House but you will need to ask the Chancellor of the Exchequer to comment especially in view of the suggestion in his own paper (E(80) 46) that there would be merit in retaining a fact finding body as an aid for the settlement of particularly difficult disputes. Could the Office of Manpower Economics (which already services the review bodies) take this on? Other Ministers may also wish to comment. It is not essential to take a decision on the long term future of the Commission immediately, but there should probably be an announcement one way or the other before the Recess.

Membership and Terms of Reference of the Review Bodies

10. In earlier discussion it was agreed that the Armed Forces Pay Review Body (AFPRB) and the Doctors and Dentists Review Body (DDRB) should continue, though no specific discussions took place on the future of the Top Salaries Review Body (TSRB). It was however also agreed that further thought should be given to the possibility of tightening the terms of reference and changing the membership of these Bodies, and that this would be considered further in the light of a note by the Lord President (E(80) 59 now before the Committee). You may prefer to defer taking final decisions on this paper until after Cabinet's discussion of the TSRB reports next Tuesday.

11. The note by officials points out that while the members of the TSRB can be changed at any time, those of the other two bodies have fixed appointments and for the most part the terms of the present members continue until the end of 1981 or 1982. It goes on to make the obvious point that any blatant attempt to alter the membership in order to encourage recommendations more in accordance with the Government's wishes could backfire. The doctors and dentists could be particularly troublesome in this respect (you will remember that last year they were arguing for the DDRB to be slanted more in their direction).

12. On terms of reference, officials point out that it is open to the Government to submit evidence to the review bodies about economic considerations which should be taken into account, and that this could be done with or without a change in the terms of reference. The risk of changing the

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terms of reference is that the Government could then reduce its freedom for manoeuvre since it might be difficult to reject recommendations which the Review Bodies claimed already took account of economic considerations as put to them by the Government.

13. You will wish to invite the Lord President to speak to his paper. The Chancellor of the Exchequer, the Secretary of State for Defence and the Secretary of State for Social Services will wish to comment.

Size and timing of cash limits

14. The Committee has already agreed that cash limits and External Financing Limits for the nationalised industries should be the overriding constraint on pay. The size of these limits will be crucial and you may wish to remind the Committee that there will be an opportunity to discuss them when the Chancellor comes forward with his specific proposals in the autumn. You might also hold open until later in the year final decisions on whether the quantum and timing of cash limit should be uniform or varied, so that account can be taken of circumstances nearer to the operational deadlines.

CONCLUSIONS

15. You will wish to record conclusions on as many of these issues as possible, but probably to reserve a final decision on the membership and terms of reference of the Review Bodies until Cabinet has discussed the current TSRB reports. You might also care to envisage a further meeting of E to confirm the totality of the decisions taken (possibly on the basis of a note by the Secretaries drawing them all together and to discuss public presentation and handling.

16. In addition you have had John Hoskyns's paper of 25th June which recommends that a good deal of work needs to be done to quantify the costs and risks attaching to the individual elements which make up the totality of the public sector pay problem. I have a good deal of sympathy with that approach. At the same time I doubt whether present decisions need be delayed while the work he suggests is put in hand - much of it relates to the actual numbers to be

SECRET

inserted into the policy when we come to set cash limits, etc., in the autumn. Nevertheless you might care to ask the Treasury or the CPRS to pick up his suggestions and let you have a quick report on what can or can't be done and on what timescale.

ROBERT ARMSTRONG

(Robert Armstrong)

25th June, 1980

PRIME MINISTER

Mr Prior is still having problems over the Clegg Commission. You agreed that he should take steps to maintain a quorum of the Commission for long enough for it to complete its remaining references. He expected to do this by finding a caretaker chairman to serve with two remaining part-time members. One of these, Mr Peter Gibson, has now decided that he will resign at the end of September unless the Commission is strengthened by at least one further part-time appointment. He would, therefore, give three months notice from the end of June.

This makes another part-time appointment essential if the Commission is not to cease to exist at the end of September. In the circumstances Mr Prior has now changed his mind, and has recommended that the previously approved appointment of Mr Parry Rogers should be implemented.

You will see that he takes the personal view that the Commission should then be wound up when its present references are completed. That is a matter for further discussion, perhaps in E, but are you content that the appointment of Mr Rogers should now go ahead?

Over mb

MA

25 June, 1980

cc Mr Hoskyns
Mr Wolfson

PRIME MINISTER

CLEGG COMMISSION

We have corresponded about maintaining the membership of the Commission to enable it to complete its remaining references after the resignation of Professor Clegg and Mr Harry Urwin (TGWU) at the end of September. We have agreed that I might explore whether Professor John Wood would be willing to act as a caretaker Chairman until about the end of the year to complete the Commission's work, but wholly without any commitment to him pending the outcome of the teachers' arbitrations which he is to chair.

In making that suggestion, I believed that the remaining part-time members of the Commission (Mr Peter Gibson and Professor Joan Mitchell) would be willing to continue to serve. With this in mind, I advised against the appointment of Mr Parry Rogers (Plessey), who has accepted your invitation of a part-time appointment, because this might be viewed as a signal that the Commission had a future in something like its present form. We failed in persuading an able trade unionist to accept appointment to fill the other previous vacancy.

On reflection, however, Mr Peter Gibson has now decided that he too should resign at the end of September unless the Commission is strengthened by at least one further part-time appointment. Under the terms of his appointment he would give three months' notice at the end of this month. After much thought he has concluded that the Commission would just not be sufficiently manned with a new caretaker Chairman and only two part-time members to report on the outstanding references following Professor Clegg's departure.

Unless therefore a further part-time appointment is made, the Commission must effectively cease to exist at the end of September and this would become clear by the end of the month. The annex to this minute lists



the references which would then be uncompleted. We made all but one of these. I do not think we should just allow the Commission to end in default of a further appointment and therefore propose that Mr Parry Rogers should now be appointed. If we are not ready to announce our decision on the longer term future of the Commission, we can make clear that the appointment is to assist on current references and we have no proposals for further references. My own view is that the Commission needs to be wound up when its present references are completed.

I am copying this minute to Geoffrey Howe, Christopher Soames and Robert Armstrong who received the previous correspondence and to members of E Committee.

A handwritten signature in blue ink, appearing to be 'JP'.

J P

23 June 1980

STANDING COMMISSION ON PAY COMPARABILITY

References which will not have been completed before the end of September 1980

1. Ambulance Officers (3,000). Referred May 1979; recommendations, which are to be binding, to be implemented in stages from 1 August 1979 and 1 April 1980.
2. Scottish Local Authority Chief Officials (800). Referred September 1979; recommendations to provide a basis for negotiations, agreed staging of a settlement from 1 January 1980 and 1 April 1980.
3. New Towns Staff (8,000). Referred October 1979; recommendations to provide a basis for negotiations with implementation of a settlement from 1 July 1980.
4. University Teachers (37,000). Referred January 1980; recommendations to provide a basis for negotiations with implementation of a settlement agreed in stages from 1 April 1980 and 1 October 1980. Agreed that this reference can now be withdrawn.
5. University Clerical and Computer Staffs (17,000). Referred May 1980; recommendations to provide a basis for negotiations with agreed implementation of a settlement from 1 January 1980.

25 JUN 1960



Exam b



APPOINTMENTS - IN CONFIDENCE

Ref. A02392

MR. PATTISON

I have seen the correspondence about the possible appointment of Professor Sir John Wood as caretaker Chairman of the Standing Commission on Pay Comparability.

2. As is said, Sir John Wood is held in high regard and esteem. He is held in particularly high regard and esteem in the British Broadcasting Corporation, because he was the author of the ruling by the CAC (of which he was Chairman) under Schedule 11 of the old Employment Act which gave BBC staff a very substantial increase to catch them up with comparable staff in commercial television just before Christmas two or three years ago, and thus averted the prospect of a BBC strike over Christmas, with all its horrendous implications for Christmas viewing.

(Robert Armstrong)

19th June, 1980



MAP. George H

Civil Service Department
Whitehall London SW1A 2AZ
01-273 4400

From the Private Secretary

18 June 1980

Mike Pattison Esq
Private Secretary to the Prime Minister
Downing Street

Dear Mike,

STANDING COMMISSION ON PAY COMPARABILITY:
CHAIRMANSHIP

The Lord President has seen the exchange of correspondence about the possible appointment of Professor Sir John Wood as caretaker Chairman of the Standing Commission on Pay Comparability when Hugh Clegg's resignation takes effect later this year, and has seen the answer to the Prime Minister's request for further information.

The Public Appoints Unit here holds information on Sir John Wood. He occupies the Edward Bramley Chair of Law at Sheffield University and is Chairman of the Central Arbitration Committee and present and past holder of many public appointments. The information held by the PAU emanates from the Department of Employment and we have nothing of substance to add to the information provided in Richard Dykes' letter of 11 June. We would endorse the views expressed about the high regard and esteem in which Sir John Wood is held.

There is, however, the question of the Chairman's salary: CSD regard the rate paid to Professor Clegg as personal to him and not necessarily appropriate for a successor. We hope that the Department of Employment will soon be consulting us at official level about this.

I am copying this letter to Martin Hall (HM Treasury), Richard Dykes (Department of Employment), David Wright, Cabinet Office.

*Yours sincerely,
Jim Buckley.*

J BUCKLEY

18 JUN 1980





File

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10 DOWNING STREET

From the Private Secretary

16 June 1980

The Prime Minister was grateful for your further letter of 11 June about Sir John Wood. She has also seen your letter of 12 June about the work that Sir John is shortly to undertake.

On the basis that your Secretary of State has no intention of settling Sir John's possible appointment until the arbitration issues are right out of the way, she is content that he should take a non-committal sounding about Sir John's willingness to serve.

I am sending copies of this letter to Martin Hall (HM Treasury), Jim Buckley (Lord President's Office) and David Wright (Cabinet Office).

M. A. PATTISON

Richard Dykes, Esq.,
Department of Employment.

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PRIME MINISTER

You asked for further information about Sir John Wood, whose appointment as interim successor to Sir Hugh Clegg was suggested by Mr. Prior. I attach a note from Mr. Prior's office.

Mr. Prior has now heard that Sir John is to be the Chairman of the arbitrations on both primary and secondary teachers, and further education teachers. He is aware that Ministers might find it necessary to seek to overturn the outcome of these arbitrations by Resolution under the powers provided in the Remuneration of Teachers Act. This outcome would create a real awkwardness about appointing Sir John as caretaker Chairman to the Commission. Mr. Prior therefore has no intention of settling the proposed appointment until the arbitration matter is right out of the way. For the present, he would do no more than take a non-committal sounding about Sir John's willingness to serve.

Agree?

MJP

Yes not

13 June 1980

CONFIDENTIAL AND APPOINTMENTS IN CONFIDENCE



Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

M A Pattison Esq
10 Downing Street
LONDON
SW1

12 June 1980

Dear Mike,

CLEGG COMMISSION

Since writing to you yesterday, we have just learnt that Sir John is to be appointed (with the agreement of the parties) to chair the two arbitrations on the pay of primary and secondary teachers and further education teachers in England and Wales, although the formal appointment has not yet been made. It is not yet clear when the arbitration hearings might be held, but the awards might be available in the second half of July. Different arrangements for arbitration for Scottish teachers are, we understand, being contemplated.

There is the possibility that Ministers might consider it necessary to seek to overturn the outcome of these arbitrations by Resolution under the powers provided by the Remuneration of Teachers Act. If that were the case, there would be a very obvious awkwardness to appointing Sir John as a caretaker Chairman to the Clegg Commission. We had contemplated announcing his appointment, if agreed, sometime in August. It clearly now seems right to postpone a final decision until the outcome of the teachers' arbitrations are known and Ministers have had an opportunity to consider their response.

There is at present no obvious alternative to Sir John for the Clegg Commission who might be willing to take on what has become an extremely thankless task, although my Secretary of State is very ready to consider any suggestions that might be made. But for the present he would want to do no more than take a sounding about Sir John's willingness to serve wholly without any commitment to him.

J. R. C.
Richard Dykes

R T B DYKES
Principal Private Secretary

13 JUN 1960





Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

M A Pattison Esq
10 Downing Street
LONDON SW1

11 June 1980

Dear Mike,

CLEGG COMMISSION

... You asked in your letter today for further information and impressions on Sir John Wood. I am enclosing a factual note on his background and relevant experience.

He is an energetic Yorkshireman, quick and decisive in thought and manner. His knowledge of pay structures and bargaining arrangements is probably unrivalled, as is his experience as an arbitrator. He made valuable contributions to the work of the Robens' Committee on Health and Safety at Work and to the Home Office inquiries on police negotiating arrangements and pay. He has long been deeply concerned about the general problems of industrial relations and critical of many aspects of the system and of the role and practices of trade unions. He makes no secret of his commitment to the Conservative Party and publicly defended on many platforms the 1971 Industrial Relation Act. He feels strongly that voluntary arbitration arrangements of the kind long provided by the old Industrial Relations Court should be re-established and developed, particularly for rights issues, as an orderly and rational means of avoiding many disputes. He sees the principles of law having a greater role in the conduct of industrial relations.

The Central Arbitration Committee, under his chairmanship, attracted a good deal of criticism as employers and unions advanced a greater number of claims under Schedule 11 of the Employment Protection Act as a means of circumventing the last Administration's pay policies. But the Committee was bound under statute to consider them and Sir John Wood displayed great skill in contending with an enormous work load and many difficult and complex issues. The Schedule is of course now being repealed.

He is known to be sceptical about the concept of comparability and could be expected to provide clear and brisk direction to the remaining work of the Standing Commission, informed by his wide knowledge and experience. There is no reason to believe he would not be acceptable to any of the remaining reference groups.



I am sending copies of this letter to Martin Hall (HM Treasury), Jim Buckley (Lord President's Office) and David Wright (Cabinet Office).

Jim → *ere*

Richard Dykes

RICHARD DYKES
Principal Private Secretary

WOOD, Professor Sir John Crossley, CBE LLM

Date of Birth: 3 January 1928

On CSD list.

Place of Work

Faculty of Law
The University
Crookesmoor Building
Sheffield, S10 2TN
0742 78555

Home

44 Ranmoor Cliffe Road
Sheffield, S10 3HB
0742 303355

Present main appointments:

Edward Bramley Chair of Law, Sheffield University 1969-
Chairman, Central Arbitration Committee (DE) 1976-

Background

Some general practice as a barrister (in Manchester).
Previously a lecturer at Manchester University and Senior Lecturer in Law at Sheffield University.
Second Chair of Law, Sheffield University 1964-1969.

Personal particulars

LL M (Manchester).
Barrister-at-Law.
Editor 4th Edition (Mansfield-Cooper) Industrial Law.
CBE 1971. KB New Year 1979.

Official appointments

Chairman of Wages Councils (DE) 1963-
Member, ILO Committee of Experts on the Application of Conventions and Recommendations, 1977-
Member, Mental Health Review Tribunal, Nottingham (DHSS), 1974-
Standing Independent Chairman of the Conciliation Committee for the Spinning Doubling and Weaving Sections of the Cotton and Man-made Fibre Textiles Industry 1970-
Single arbitrator in industrial disputes (DE) 1967-1974 (ACAS) 1974-
Independent Chairman of Board of Arbitration for the Yorkshire area JIC for the Freeston and Sandstone quarrying Industry 1968.
Chairman, Arbitration Tribunal to settle dispute between BBC and Association of Broadcasting Staffs, 1968.
Chairman, discussions between British Overseas Airways Corporation and British Air Line Pilots Association, 1968.
Chairman, Commission of Inquiry into the Road Haulage Wages Council (DE) 1974-1977.
Chairman, Court of Inquiry into a dispute at Standard-Triumph, Liverpool, 1969.
Chairman, Board of Arbitration, Michelin Tyre Co and AEF 1969.
Chairman, Court of Inquiry into a dispute between Newtownabbey UDC and GMWU (appointed by MHSS Northern Ireland) 1970.
Chairman, Court of Inquiry into a dispute at Pilkington Brothers, St Helens. 1970.
Member, Committee on Health and Safety at Work (Robens' Committee) (DE) 1970-1972.
Member, Independents' Panel, Industrial Arbitration Board. (DE) 1970-1976.
Chairman, Court of Inquiry into a dispute at Larne Harbour between Transport and Gen Workers' Union and the General and Municipal Workers' Union, (MHSS, NI) 1970.
Member (part-time), Commission on Industrial Relations (DE) 1971-1974.
Chairman, Arbitral Body to settle a pay claim by Teachers in Colleges of Further Education (DE) 1971.
Chairman, Committee of Inquiry into a dispute between the Teesside, LEA and the Governors of the Sacred Heart School, and the NAS and UWT (DES and DE) 1972.
Member, Council, Advisory, Conciliation and Arbitration Service 1974-1976.
Chairman, Inquiry into a dispute at BLMC, Cowley (ACAS) 1975.
Member, Legal Studies Board, Council for National Academic Awards (DES) 1975-1977 (Resigned)
Member, Review of the Police Negotiating Machinery (Home), 1977-1978.
Member, Committee of Inquiry on Police Pay (Home) 1977-1978.
Chairman, Joint Working Party for the Inner London Magistrates' Courts' Service, 1980.

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11 JUN 1968

FILE

~~B/F 13/6/80~~

cc HMT
LPO
CO

BC Wafin
Horslyns

11 June 1980

The Prime Minister has seen the Secretary of State for Employment's minute of 6 June, about the short-term future of the Clegg Commission.

While she does not dissent from your Secretary of State's approach, she would like to know more about Sir John Wood before she gives her agreement to an approach being made to him. She has no previous knowledge of him.

It would be helpful to have any further information and impressions which you or the other recipients of this letter can offer by close of play on Friday, 13 June.

I am sending copies of this letter to Martin Hall (M.M. Treasury), Jim Buckley (Lord President's Office) and David Wright (Cabinet Office).

M. A. PATTISON

Richard Dykes, Esq.,
Department of Employment.

AS



10 DOWNING STREET

PRIME MINISTER

You said that you would "have some enquiries made" about Sir John Wood. I assume that you intend to take this up with one of your personal contacts, and do not want us to make any further enquiries at this stage?

MAP

As I shall be
away this week -

10 June 1980

can you find
out some more
about him.

ps.

cc Hoskins
Hoffman

CONFIDENTIAL



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

9 June 1980

M. Pattison, Esq.,
No.10, Downing Street

Dr Mate,

CLEGG COMMISSION

The Chancellor has seen the Secretary of State for Employment's minute of 6 June to the Prime Minister. He agrees with the Secretary of State for Employment that it would be sensible to appoint a caretaker chairman, and that it would probably be sensible to appoint an industrial relations academic as an interim measure while the Government considers the longer term future of the Commission. As Mr. Prior says, it would be essential to spell out the very limited nature of the task the interim chairman would be taking on. There seems little point, given the uncertainties about the future role of the Clegg Commission, in trying to appoint a businessman at this stage. In these circumstances, the Chancellor is content that Sir John Wood be approached.

I am copying this letter to Richard Dykes, Jim Buckley and David Wright.

Yours,
M.A.

M.A. HALL

cc H33/415
W3/11AI know nothing of
John Wood. I will have
some enquiries made.

PRIME MINISTER

CLEGG COMMISSION

We have yet to reach decisions on the future of the Commission, but it is very clear that it cannot continue - if at all - in anything like its present form.

The purpose of this minute is however confined to considering the options for maintaining the membership of the Commission to complete its present references.

Initially the Commission had, in addition to the Chairman, five part-time members. Sir Leslie Williams and Sir William Ryland resigned in April and we had hoped to replace them by Derek Gladwin (GMWU) and Parry Rogers (Plessey). After a good deal of delay, I understand Gladwin has now decided to decline appointment and we have postponed Rogers' appointment until Gladwin's decision was known. Harry Urwin (TGWU) is also now to resign from the end of August. Without further appointments, the Commission's members will then be Peter Gibson (late of BP) and Professor Joan Mitchell. Professor Clegg is to resign at the end of September.

The annex to this minute lists the references which could still be before the Commission when Professor Clegg's resignation takes effect. We made all but one of these, the last as recently as last month. In most cases the employers and unions concerned were pressed hard to agree on a reference and in all cases the timing of the implementation of the outcome was negotiated. If we sought to stop any of these references (with the exception of that for university teachers, which in any case is now likely to be withdrawn), immediate and substantial pay claims could be advanced for settlement dates long passed and settlements could prove the more difficult. We could hardly avoid accusations of bad faith.

It is likely that the Commission could report on all the outstanding references by about the turn of the year. That would be the natural time to end its present activities. In the interim, I am sure we would

PRIME MINISTER

The Commission is shrinking. Mr Prior wants to let this happen. But a Chairman will be needed to complete outstanding work. He suggests Sir John Wood, subject to Chancellor's comments. ^{new} attached flag A. ^{1.} 11/1

not contemplate any further references.

I believe we need therefore to be ready to appoint a caretaker Chairman to overlook the Commission's last references on Professor Clegg's departure. The very limited nature of his task would need to be made clear. This would add to the difficulties of persuading anyone to take it on, but I understand that Sir John Wood (Professor of Law at Sheffield University and Chairman of the Central Arbitration Committee) could be persuaded. He has a healthy scepticism of comparability and would certainly not be interested in a permanent appointment of this kind, but in a variety of ways over many years he has been directly involved in questions of public service pay and his experience is unrivalled. There is no need to announce an appointment for sometime yet, but I would welcome your agreement to an approach being made to Sir John Wood about the possibility.

At this stage, there are obvious difficulties in appointing further part-time members to the Commission. I am sure that we will not now find an able trade unionist ready to serve. We have the option of appointing Parry Rogers whose agreement you have to serve despite the evident uncertainties. But I do not think we should now make the appointment. It could be viewed, whatever explanation we offered, as a signal that the Commission had a future and the membership of the Commission would be unbalanced. From the end of August the Commission would be left to complete the remaining references with two part-time members which should prove - although only just - tolerable.

I am copying this minute to Geoffrey Howe, Christopher Soames and Robert Armstrong.



J P
6 June 1980

STANDING COMMISSION ON PAY COMPARABILITY

References which will not have been completed before the end of September 1980

1. Ambulance Officers (3,000). Referred May 1979; recommendations, which are to be binding, to be implemented in stages from 1 August 1979 and 1 April 1980.
2. Scottish Local Authority Chief Officials (800). Referred September 1979; recommendations to provide a basis for negotiations, agreed staging of a settlement from 1 January 1980 and 1 April 1980.
3. New Towns Staff (8,000). Referred October 1979; recommendations to provide a basis for negotiations with implementation of a settlement from 1 July 1980.
4. University Teachers (37,000). Referred January 1980; recommendations to provide a basis for negotiations with implementation of a settlement agreed in stages from 1 April 1980 and 1 October 1980. Agreed that this reference can now be withdrawn.
5. University Clerical and Computer Staffs (17,000). Referred May 1980; recommendations to provide a basis for negotiations with agreed implementations of a settlement from 1 January 1980.

-6 JUN 1968



cc D/Emp.

Eion D.

DS

5 June 1980

Dear Mr. Urwin,

Thank you for your letter of 24 May giving notice of your intention to resign from the Standing Commission on Pay Comparability on 31 August 1980. I am most grateful to you for letting me know in advance.

The Commission's work must, I am sure, have made heavy demands on your time and effort. I do indeed appreciate your contribution to its work.

Yours sincerely,

Margaret Thatcher

C.H. Urwin, Esq.

CONFIDENTIAL



Handwritten initials and signature
Eton P.M. ^B

10 DOWNING STREET

From the Private Secretary

4 June 1980

Handwritten note:
BF 12.6.80.

As has seemed increasingly likely in recent weeks, Mr. Derek Gladwin has now turned down the Prime Minister's invitation to serve on the Standing Commission on Pay Comparability. I enclose his letter informing us of this. I have sent a brief reply.

This news follows the resignation of Mr. Urwin. We now have two vacancies and the departure of the Chairman takes effect later in the year.

I assume that Ministers will wish to consider in more detail the future of the body before any steps are taken to consider replacements. I would be grateful for advice. It would be helpful if this could reach me by Friday 13 June.

I am sending copies of this letter to Martin Hall (Treasury), David Laughrin (Civil Service Department), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

M. A. PATTISON

Richard Dykes, Esq.,
Department of Employment.

CONFIDENTIAL

4 June 1980

Thank you for your letter of 30 May, with the information that, as a result of changed circumstances, you will now be unable to accept the Prime Minister's invitation to serve on the Standing Commission on Pay Comparability.

I know that the Prime Minister will be disappointed with this decision, but I am sure she will understand your reasons.

MAP

Derek Gladwin, Esq., C.B.E., J.P.

3.



10 DOWNING STREET

PRIME MINISTER

Harry Urwin has now offered his resignation from the Clegg Commission. Here is a draft reply accepting it.

I suspect that this means that Derek Gladwyn, who has been pondering an offer to join, will now also decide to turn it down.

MA

3 June 1980



Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Nick Sanders Esq
10 Downing Street
London SW1

3 June 1980

Dear Nick,

I attach a draft reply for the Prime Minister to send to Mr Urwin in reply to his letter of 24 May in which he gave notice of his resignation from the Standing Commission on Pay Comparability.

Yours ever
Richard Dykes

R T B DYKES
Principal Secretary

Type for PM, etc

MD
3/6

C H Urwinn Esq
4 Leacliffe Way
Aldridge
Walsall WS9 0PW

Thank you for your letter of 24 May giving notice of your intention to resign from the Standing Commission on Pay Comparability on 31 August 1980. I accept your resignation.

The Commission's work must, I am sure, have made heavy demands on your time and effort. I am most grateful to you for your contribution to its work.

Telephone:
01-397 8881

Telex:
27472

General Secretary:
DAVID BASNETT

GENERAL AND MUNICIPAL WORKERS' UNION SOUTHERN REGION

Regional Secretary:
DEREK GLADWIN, C.B.E., J.P.



205 HOOK ROAD,
CHESINGTON,
SURREY,
KT9 1EP

Your Ref:

Our Ref: DOG/RMW/CP

30th May 1980

Mr. M. Pattison,
Private Secretary,
10 Downing Street,
London.

Dear Mr. Pattison

With reference to your letter of the 2nd May, I am afraid that recent events now make it impossible for me to accept the Prime Minister's invitation to serve on the Standing Commission on Pay Comparability.

Somewhat unexpectedly the Chairmanship of the Union became vacant this year, and I have been elected. I am afraid that it would be impossible for me to fulfil the commitments as a member of the Commission and also carry out my duties as Chairman of the Union.

*Yours sincerely,
Derek Gladwin*

REGIONAL OFFICERS:—J. Axtell M. Crowley J. Davis R. Goulborn G. Holland M. Horne D. Huggett
D. Hunter A. G. Johnson G. Little S. Lynch J. O'Regan D. Tipping (Mrs) E. Warrillow



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1963

11 10 9 8 7 6 5 4 3 2 1

14 JUN 1963

GR 3/6/80

27 May 1980

I attach a copy of a letter the Prime Minister has today received from Harry Urwin, tendering his resignation from the Standing Commission on Pay Comparability with effect from 31 August.

I should be grateful if you could let me have a draft reply for the Prime Minister to send to Mr. Urwin, to reach us here by Tuesday 3 June.

NJS

Richard Dykes, Esq.,
Department of Employment.

26

JS

27 May 1980

I am writing on the Prime Minister's behalf to thank you for your letter of 24 May. I will, of course, place your letter before the Prime Minister at once.

NJS

C.H. Urwin, Esq.



2

econ pd

10 DOWNING STREET

~~PRIME MINISTER~~

This note from Harry Urwin offers his resignation from the Clegg Commission, with effect from 31 August.

We will let you have a suitable draft reply to send to him.

MJS

27 May 1980

00
Tel. 021 353 3363

4 Leacliffe Way
Aldridge
Walsall WS9 OPW
West Midlands

RT HON M. THATCHER M.P.

MAY 24 1980

PRIME MINISTER.

22715
A
Dear Prime Minister.

For personal reasons, and in accordance with the terms of my appointment to the Standing Commission for Pay Comparability by the former Prime Minister, Rt Hon J. L. Callaghan M.P. I hereby give notice of my intention to resign from that body on August 31st 1980.

I am notifying Mr J. Prior Secretary of State for Employment and Professor Hugh Clegg of my decision.

Yours Sincerely

Harry Urrwin

C. H. URRWIN. (MR)



Ms file

R

10 DOWNING STREET

Tim

Outstanding references on Clegg -

- 1) University Technicians
- 2) Local Authority Craftsmen
(5 sub headings:-
 - England :- a) Building Workers
 - b) Electricians
 - Scotland :- c) Building + Civil Engineering Workers
 - d) Electricians
 - e) Plumbers)
- 3) Magistrates' Courts' Staff outside Inner London
- 4) New Towns Staff
- 5) Scottish Local Authority Chief officials
- 6) University Teachers
- 7) University Clerical + Computer Staff

(Nick apparently already has this info) Steve 20.5.00



even RA
file JD
CCD H8

~~ef to act~~

10 DOWNING STREET

THE PRIME MINISTER

12 May 1980

Dear Mrs. Williams,

Thank you for your letter of 27 March about the Clegg Report on the professions supplementary to medicine. I am well aware from the letters I have received of the disappointment and dismay of the professions at certain aspects of the Report. But it should not be forgotten that the result of the Clegg award as now finalised by the Professional and Technical A Whitley Council has been to increase the total size of the 1979 pay settlement for the group from around 9 per cent to between 19 and 35 per cent. An acceptable solution has also been found to the problem of working hours which had been concerning you. Negotiations are about to begin within the Whitley Council on a further pay increase for 1980.

No doubt the Report has raised issues which will require discussion both within the Council and elsewhere in the coming weeks and months. The Minister for Health, Dr. Gerard Vaughan, has indicated his willingness to meet representatives of your own organisation and others in the PSM field to discuss issues of concern which fall outside the Whitley arena. Other points you raise about differentials and grading are, of course, matters for the Whitley Council.

Yours sincerely
Raymond Whitley RB

Mrs. J. I. Williams



3

PRIME MINISTER

I attach a draft letter
(a shortened version of a
DHSS draft) for you to send
to the Chartered Society of
Physiotherapy about the
Clegg Report on the professions
supplementary to medicine.

R

9 May, 1980.



CT
v ref

DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

Tim Lankester Esq
Private Secretary
10 Downing Street
London
SW1

9 May 1980

Dear Tim

Thank you for your letter of 31 March enclosing a copy of one that the Prime Minister had received from the Chartered Society of Physiotherapy about the Clegg report on professions supplementary to medicine.

I enclose as requested a draft reply that the Prime Minister might send.

Yours sincerely
Mary

MARY MCVEERY (MRS)
Private Secretary

Thank you for your letter of 27 March about the Clegg Report on the professions supplementary to medicine. I am well aware from the letters I have received of the disappointment and dismay of the professions at certain aspects of the Report. ~~But~~ it should not be forgotten that the result of the Clegg award as now finalised by the Professional and Technical A Whitley Council ^{has been} ~~is~~ to increase the total size of the 1979 pay settlement for the group from around 9 per cent to between 19 and 35 per cent. An acceptable solution has also been found to the problem of working hours which had been concerning you. Negotiations are about to begin within the Whitley Council on a further pay increase for 1980.

No doubt the Report has raised issues which will require discussion both within the Council and elsewhere in the coming weeks and months. The Minister for Health, Dr Gerard Vaughan, has indicated his ~~personal~~ willingness to meet representatives of your own organisation and others in the PSM field to discuss issues of concern which fall outside the Whitley arena. Other points you raise about differentials and grading are, of course, matters for the Whitley Council. ~~But there seems to be little point in~~ looking backwards at the methods used by ~~the Clegg Standing Commission to~~ carry out their study. As an independent body the Commission are free to conduct their studies in the way they consider best meets the circumstances of the case before them. ~~The evidence which they take into account and the conclusions they draw are entirely matters for the Commission.~~

T. M. Lankester sq N^o 10.



The PM might like to glance at
this to refresh her memory. I prepared
it to be given to Ministers here.
With the Compliments

of

ADAM RIDLEY

Special Adviser

I have much more that I
want to have shown to her to
be wanted.

Treasury Chambers,

Parliament Street,

S.W.1.

TR 3/6

Damn
2cc please, W
After
Hys

~~Nick~~ Thanks
MJS



B

E
A.17 (Clegg) *working minutes*
sent MBOM

CHIEF SECRETARY

Chancellor
cc Financial Secretary
Minister of State (L) 13
Minister of State (C)
Mr Cardona
Mr Cropper
Mr Ryrie
Mr P M Rayner

CLEGG AND OPPOSITION COMMITMENTS

I gather from Mr Cropper that you might find it helpful to be armed with some of the background about the commitments made in opposition, not least with a view to what you say in the House in debate. The following brief notes summarise some of the key features of what was a tortuous and very complex sequence of events.

1. In the weeks leading up to election day the Shadow Cabinet debated how to handle Clegg and related matters on several occasions. The last was so near the election that the minutes were never written.⁷

2. The broad principles agreed were that the rates of pay recommended by Clegg would have to be accepted by an incoming Conservative Government. They had been agreed to be binding by the Labour Government, the employers and unions. It would be not only imprudent but, in effect, unconstitutional to do otherwise. However the financing of these awards would be subject to cash limits being maintained by seeking offsetting cuts either within the programmes effected, or, if need be, in other unrelated programmes. The latter condition was firmly in line with an important written PQ answer by Joel Barnett 123 Feb 1979 Cols 334, 335⁷, and Mr Healey's speech to the House on 25 Jan 100 Cols 754-756⁷.

3. Recognising that the issue was a minefield, it was agreed that Party policy would be expressed in a short, somewhat cryptic



para of guidance /Flag A7. It was hoped that the form of words chosen would satisfy awkward questioners for the duration of the election. The Manifesto (p.12) made no statement about Clegg one way or the other, but he was clearly not disavowed.

4. That position swiftly proved to be untenable. First, the major public sector unions continued to bargain hard, apparently unconcerned by the fact that an election was being held! This meant that new groups popped up and entered the limelight - as is well illustrated by the internal CRD minute at Flag B, laconically recording our discovery of the reference of the Nurses to the Commission. Second, Mr Callaghan used the first few days of the election campaign to attack the Conservative Party on the grounds that it would reject the recommendations of the Clegg Commission. This "smear" was denied in a Press Release by Jim Prior on 12 April. /Flag C7, picking up a remark of Mrs Thatcher's at the daily election press conference that morning. Her exact words, drawn from a series of questions and answers about the Commission and the four original references were:

Question: Does that mean you would honour those awards and then economise?

Answer (Mrs Thatcher): You would have to do the two at the same time, otherwise you would go above the cash limits.

I can supply the full transcript of this passage if needed, which brings out clearly the premise that Clegg rates of pay would be met.7

5. Subsequently the issue quietened down politically, although Shadow Ministers involved were kept under some pressure. Statements, letters to union officials and speeches stuck broadly to this line. Of these Mr Carlisle and Mr Taylor's letters to the various Teachers' unions were, probably, the most important and widely publicised. As it happens, these were somewhat more guarded in tone than Mrs



Thatcher's remarks or Mr Prior's statement. This was, in part, because of the complex relationship between the Burnham apparatus and the rather curious samizdat-like process of self-reference to Clegg on which the teachers and the employers had embarked. The really important point is that candidates and others on the stump might not have formed a very clear picture of the Party's policy from the publicity given to statements about individual cases such as the teachers' in the closing days of the campaign, or from Mr Callaghan's "smears".

6. This brings me to the issue of whether our candidates were fully briefed on the Party's position at the time. The short answer is that they were. Mr Prior's statement was reproduced in full on p.60 of "Daily Notes" No 4 of Wednesday 18 April under the heading of "Pay Comparability: Mr Callaghan's Smear". Since Daily Notes goes to all candidates, and is the major channel for guidance on such issues, any MP who denies knowledge of this important statement can only blame himself. I should add that I was unaware throughout the campaign of a single attack on the Party's position from candidates or party workers. As far as I can judge, the same went for Shadow Ministers. Since the Research Department handled almost all correspondence and representations of importance on this issue for them we would almost certainly have learnt of any strongly argued dissent.

7. The first protest I am aware of came some months after the election in the form of a letter from John Peyton to the Chancellor. As Mr Peyton was criticising the position he had supported in the Shadow Cabinet, it was not very telling!

8. I can, of course, supply further chapter and verse should you seek it. I am submitting a draft reply to Mr Bruce-Gardyne separately, making some of these points.

AR

ADAM RIDLEY

7 May 1980

A

All Members of the Shadow Cabinet

5 April 1979

I attach the text on public sector pay which was agreed at Shadow yesterday in Mrs Thatcher's summing up and the subsequent discussion.

No doubt Mr Prior and Sir Geoffrey Howe will wish to see any detailed drafts on this subject which colleagues send to particular individuals or organisations in which they amplify the agreed text. I would also be grateful if copies could be sent to myself and Rob Shepherd at Research Department.

It is now for urgent consideration how we handle the more detailed questions about particular claims. I would propose that a few standard notes on our position should be issued as Questions of Policy as soon as possible, and if this seems advisable, Research Department will get in touch with the appropriate members of the Shadow Cabinet.

ADAM RIDLEY

DRAFT REPLY ON PUBLIC SECTOR PAY

Cash settlements already agreed will be honoured.

Where cases have been referred to the Comparability Commission they will be honoured so long as they fall within the money available, but if, as Mr Healey has already pointed out, they exceed this, then economies may have to be found.

CONSERVATIVE RESEARCH DEPARTMENT

24 Old Queen Street, S.W.I.

(8) B

MEMORANDUM

From Michael Dobbs

To Adam Ridley
cc Rob Shepherd
Chris Mockler
2nd April 1979

NURSES PAY COMPARABILITY

CM has discovered the following:

1. The comparability study covers nurses and midwives.
2. The study has been referred to the Clegg Commission.
3. The Government has committed themselves to implementation of these recommendations.
4. Implementation will be in two stages, 1 August 1979 and 1 April 1980.
5. The terms of reference are unknown. However, it would not be unreasonable to suppose that the nurses' terms of reference are comparable to the other "Clegg-ies".

MJD/JQ

MJD

Conservative Central Office

NEWS SERVICE

Release time: IMMEDIATE/FRIDAY, 13th APRIL, 1979.

GE 532/79

Statement by The Rt Hon James PRIOR, Conservative Parliamentary Candidate for Lowestoft and Conservative Spokesman on Employment, on Friday, 13th APRIL, 1979.

CALLAGHAN GETS IT WRONG AGAIN

In the few days since this election began the Labour Party has produced even more smears than they normally do throughout a full election campaign. Most of these smears should be recognised for what they are by the public and Press without any guidance from us. But there are notable exceptions. Yesterday the Prime Minister made a most irresponsible speech which raised serious and unjustifiable doubts about the Conservative Party's attitude to certain pay disputes referred to the Comparability Commission. He suggested that the next Conservative Government will reject the Commission's recommendations on the pay of the Local Authority manual workers, National Health Service Auxiliaries, Ambulance men and University manual workers.

The Prime Minister stated in Parliament some time ago that the Government, employers and unions are committed to a settlement based on the Commission's recommendations, and indicated the important factors which it would take account of in its work. In the light of these undertakings, Mrs Thatcher made it clear on Thursday, before Mr Callaghan's speech, that we would respect the Commission's recommendations. However, she also added that, as Mr Healey explained recently in the House of Commons, offsetting economics might have to be made to finance them.

END



3/5
cc D/M
Press Office

10 DOWNING STREET

THE PRIME MINISTER

7 May 1980

Dear Professor Clegg

Thank you for your letter of 23 April. I readily understand your reasons for resigning from the Commission, and am grateful for the way in which you decided to stay longer than you previously intended.

I know that the Commission has had to carry out its work under circumstances which have often been trying, and has been under considerable pressure to produce reports quickly.

The difficulties with which the Commission has been faced make me all the more grateful for the valuable contribution which you have personally made to its work.

Yours sincerely
MT

Professor Hugh Clegg

jfh

jd



2 pps

Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Tim Lankester Esq
10 Downing Street
LONDON SW1

2 May 1980

Dear Tim,

.... I enclose a draft letter for the Prime Minister to send in reply to Professor Clegg's offer of resignation, as requested in your note of 25 April.

Copies of this letter go to the recipients of yours.

You - etc

Richard Dykes

R T B DYKES
Principal Private Secretary

Type to PM etc

MAF



Faint, illegible text centered on the page, possibly a title or header.



1-2 MAY 1980

DRAFT LETTER FOR THE PRIME MINISTER

Professor Hugh Clegg
Chairman
Standing Commission on Pay
Comparability
Office of Manpower Economics
22 Kingsway
LONDON WC2B 6JY

May 1980

Thank you for your letter of 23 April. I readily understand your reasons for resigning from the Commission and am grateful for the way in which you decided to stay longer than you previously intended.

I know that the Commission has had to carry out its work under circumstances which have often been trying and has been under considerable pressure to produce reports quickly.

The difficulties with which the Commission has been faced make me all the more grateful for the valuable contribution which you have personally made to its work.

file 1212
2 May 1980

I can now write to confirm that the Prime Minister is content not to press for a decision in response to my letter to you of 13 March: she looks forward to learning of your decision as soon as possible after 17 May.

M. A. PATTISON

Derek Gladwin, Esq., C.B.E., J.P.

APPOINTMENTS IN CONFIDENCE



Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Mike Pattison Esq
Private Secretary
10 Downing Street
London SW1

/ May 1980

Dear Mr,

You wrote to Richard Dykes on 29 April about Derek Gladwin not being able to reach a decision about membership of the Standing Commission on Pay Comparability until well into May.

I can confirm that we are content to await his decision.

I am copying this letter to David Laughrin (Civil Service Department) and David Wright (Cabinet Office).

Yours truly

ANDREW HARDMAN
Private Secretary

1988
MAY 22

22 MAY 1988



E. B. Lyman

mt 2

Treasury Chambers, Parliament Street, SWP 3AG

01-233 3000

1st May, 1980

Prin. Point

R. Dykes, Esq.,
Private Secretary to the
Secretary of State for Employment

*This is consistent
with the conclusions
of the last E Committee
meeting on Clegg. But
we were not consulted.*

Dr. Richards

COMPARABILITY COMMISSION: UNIVERSITY CLERICAL AND COMPUTER STAFFS

Flas A

The Chancellor has seen your letter of 28th April to Ian Ellison. *TL*

The Chancellor agrees with your Secretary of State that the references should go ahead on the basis of the policy agreed at E(79) 14th meeting, item 2. In accordance with that decision, it would have to be made clear, if the matter were raised, that the references were without prejudice to the Government's decision on the longer-term future of the Commission. *1/5*

The Chancellor did think it important to look at the timing of the references in relation to Mr. Townend's Ten-minute Rule Bill to abolish the Commission set down for 14th May: though on balance, his view is that any capital that Mr. Townend might make out of the references would be more than that outweighed by allegations of chicanery if the references were delayed until after 14th May.

I am copying this letter to the recipients of yours.

Yours,
M.A.

M.A. HALL
Private Secretary

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9
8

1-1 MAY 1980

FILE

RH

29 April 1980

Thank you for your letter of 25 April, kindly informing us of the timetable in which you will be responding to the Prime Minister's invitation to become a member of the Standing Commission on Pay Comparability.

I will, of course, let the Prime Minister know of this, and I will write to you again as soon as I can.

MAP

Derek Gladwin, Esq., CBE JP

KRS

MFJ

~~by [unclear] 4/1/80~~

29 April 1980

I enclose a letter from Derek Gladwin, informing us he will not be able to reach a decision about membership of the Standing Commission on Pay Comparability until well into May.

Can you confirm that there will be no difficulty about waiting this long for a decision?

I am sending copies of this letter to David Laughrin (Civil Service Department) and David Wright (Cabinet Office).

MAP

Richard Dykes Esq
Department of Employment.



Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Ian Ellison Esq
Private Secretary to the
Secretary of State for Industry
Department of Industry
Ashdown House
Victoria Street
London SW1

28 April 1980

Dear Ian,

COMPARABILITY COMMISSION: UNIVERSITY CLERICAL AND COMPUTER STAFFS

Ministers agreed by correspondence as long ago as last December that these groups should be referred to the Commission and the parties were told. The references have been delayed because the two groups could not agree whether the terms of reference should provide for binding awards or recommendations as a basis for negotiations. They have now finally agreed on the latter, which accords with Ministers' and the Commission's preference, and we propose to make the references on 30 April.

Ministers have yet to decide on the options for the Commission's future. But these references, which will involve fairly straightforward job-for-job comparisons should be completed before the end of the year and this would not foreclose any option. A refusal now to make the references would breach the commitment to the parties with possibly difficult industrial relations consequences.

For these reasons, my Secretary of State is sure that the references should go ahead. They are unlikely to attract much, if any, publicity and if they do the Government's line is already clearly established, ie that the work and future of the Commission continue under review. The delay of the references is not of the Government's making and there are no further commitments to any group.

I am sending copies of this letter to Tim Lankester (No 10), John Wiggins, (Treasury), Peter Shaw (DES), Jim Buckley (CSD), and David Wright (CO).

Yours etc.

Richard Dykes

RICHARD DYKES
PRIVATE SECRETARY

28 APR 1980
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ENERGY
CS, HMT
MS, CSD
CO

B. Graham

~~B/F 25/80~~



10 DOWNING STREET

From the Private Secretary

25 April 1980

I enclose a letter from Professor Clegg to the Prime Minister in which he offers his resignation from the Chairmanship of the Standing Commission on Pay Comparability as from 30 September.

I would be grateful for a draft reply.

I am sending copies of this letter and enclosure to the Private Secretaries to members of EEA, Geoffrey Green (Civil Service Department) and David Wright (Cabinet Office).

TPL

Richard Dykes, Esq.,
Department of Employment

Telephone:
01-397 8881

Telex:
27472

2pps
General Secretary:
DAVID BASNETT

GENERAL AND MUNICIPAL WORKERS' UNION SOUTHERN REGION

Regional Secretary:
DEREK GLADWIN, C.B.E., J.P.



205 HOOK ROAD,
CHESSINGTON,
SURREY,
KT9 1EP

Your Ref:

Our Ref: DOG/RMW

25th April 1980

Dear Mr Saunders,

With reference to your letter of the 25th March, I am sorry that there has been so much delay in responding to the Prime Minister's invitation to become a member of the Standing Commission on Pay Comparability.

Unfortunately, I am afraid that more delay is inevitable. As I explained to you this matter has to be discussed privately with the Executive Council of my Organisation, who do not meet until our Annual Congress, which takes place during week commencing May 17.

I will, of course, fully understand if it was felt that this delay was unacceptable and necessitated the invitation being withdrawn.

*Yours sincerely,
Derek Gladwin*

1970

29 APR 1980

8 11 12 1
7 6 5 4 3 2



OFFICE OF MANPOWER ECONOMICS

22 KINGSWAY
LONDON WC2B 6JY

Telephone 01-405 5944

R25/4

The Rt Hon Margaret Thatcher MP
10 Downing Street
London SW1

23 April 1980

Dear Mrs Thatcher,

When I was appointed Chairman of the Standing Committee on Pay Comparability I undertook to serve until the end of 1979. As the Commission's programme of references built up it became clear that we should at that time be in the middle of a series of references which would culminate in the teachers' report. We also decided that we ought to write a general report when the series was completed, setting out the lessons we had learned and the general conclusions we had reached. It seemed to me that I should remain until these tasks were finished, and I estimated that both of them should be safely out of the way by the end of this September. Accordingly I arranged to postpone my return to full-time academic work until 1 October.

May I therefore submit notice of my resignation from 30 September 1980?

Yours sincerely

Hugh Clegg

NOTE FOR THE RECORD

PA
Ecom Pd.

Derek Gladwin spoke to me about Clegg at 1730 on 2 April. He said that he had not yet replied to our invitation because of the timing of events within his union, but that he would now approach David Basnett about it. He thought that it would be impossible to give us an answer until he returned on 19 April from a trip to South America. He said that he was anxious about accepting the offer because he thought that the Commission might be wound up later in the year. To accept would mean that he would have to give up some other posts, and he did not want to do this if Clegg's lifetime was likely to be very short.

I said that Ministers still had to take a decision on the future of Clegg, and that they were not likely to do so until the summer. I added that in my view Ministers had been impressed by the quality of Clegg's work so far, and that the membership of the Standing Commission would obviously be an important factor in deciding its future. Mr. Gladwin did not sound altogether convinced, but went away to think.

MS

2 April 1980

B/C 18-4-80

JS

31 March 1980

The Prime Minister has received the enclosed letter from the Chartered Society of Physiotherapy about the recent Clegg report on the professions supplementary medicine. She would like to reply to this letter herself, and I should be grateful for a draft by Thursday mid-day please.

TPL

Don Brereton, Esq.,
Department of Health and Social Security.

DP

JH



10 DOWNING STREET

From the Private Secretary

28 March 1980

I am writing to acknowledge your letter of 27 March about the recent Clegg Report on the professions supplementary to medicine.

I have placed this before the Prime Minister and a reply will be sent to you as soon as possible.

T. P. LANKESTER

Mrs J.I. Williams.

PRIME MINISTER

We have had several letters complaining about the recent Clegg Report on the professions supplementary to medicine. The attached is probably the most important we have had. The physiotherapists and others are complaining about the pay increase recommended by Clegg, and also that he is recommending a longer working week - unless the pay increase is to be even smaller. I have passed the other letters to Mr. Jenkin to reply to. Would you like to reply to this one? Or shall we pass it to Mr. Jenkin as well?

P.S. says these
complaints are justified. *Amberley*
Clegg never really understood
the chain and *R.*
they are now being asked
to take a cut in pay
I will reply. *and*

28 March 1980

THE CHARTERED SOCIETY OF PHYSIOTHERAPY

f28

14 10 BEDFORD ROW LONDON WC1R 4ED

Tel: 01-242 1941/46

Patron: HER MAJESTY THE QUEEN

President: Baroness Masham of Ilton, Countess of Swinton

Secretary: Robert J. S. Bryant, LL B ACIS FHA

The Right Hon Mrs Margaret Thatcher
Prime Minister
10 Downing Street
London SW1

27th March 1980

Dear Prime Minister

There has been a breakdown in the negotiations between the Management and Staff Sides of the Whitley Council following the publication of the Clegg Report on pay comparability for the eight professions supplementary to medicine.

The representatives of physiotherapists on the Staff Side are quite unable to accept the manner in which the Commission reached its conclusions and must question the validity of the whole report and its subsequent recommendations. These appear to have been based almost entirely on a report by a firm of Management Consultants, Hay/MSL.

The Staff Side had serious reservations about the system of factor analysis proposed by Hay/MSL and their misgivings were in no way dispelled by discussions they had with the consultants prior to the study. They urged the Clegg Commission to view the Hay/MSL report with extreme caution and, together with the Management Side, were concerned to ensure that the Commission took account of the large body of evidence submitted both separately and jointly by the eight professions.

The Chartered Society of Physiotherapy itself submitted 80 pages of researched and closely reasoned evidence. We were surprised to be told by Hay/MSL that they never saw that evidence. We know also that they based their report on an actual evaluation sample of only 17 physiotherapists; two of our nine grades were not included in the sample and these came out worst in the recommendation.

The Chartered Society of Physiotherapy made the strongest possible protests about the sample size and the inappropriateness of a factor analysis system designed for other purposes being applied for physiotherapists. The Commission

has acknowledged that it would have taken a year to devise a suitable factor plan for nurses and midwives. It was clearly not possible, within the time scale available to the Clegg Commission to ensure that all factors were appropriate to the eight separate and very different professions supplementary to medicine. The Staff Side suggested that a more valid comparison would have been by indexation of individual professions through the new Earnings Survey and Index of Average Earnings but this suggestions was not accepted.

In consequence it appears that the Hay/MSL consultants took precisely that short cut which physiotherapists had anticipated and warned against - they struck an average across eight different professions and produced a mythical creature ('a PSM') who is a sort of hybrid between a dietitian, a radiographer, a speech therapist and five others.

The fallacy of this becomes more obvious when it is seen that within physiotherapy alone there are 15 separate areas of specialisation. Within the eight professions there are entry requirements ranging from 5 'O' levels to 2 'A' levels (55% of physiotherapy students enter with three 'A' levels). The duration of the courses of training for the different professions range from two years to a full Honours degree.

The Clegg Commission's remit was to establish acceptable bases of comparison. This it has clearly failed to do. In consequence it has produced recommendations shortening pay scales by one-third, changing internal relativities and lengthening the working week. These recommendations are unacceptable to physiotherapists. It is significant that the Commission with such a limited time at its disposal has produced without supporting reasons, recommendations which directly contradict those of the Halsbury Committee published five years ago after an in depth study extending over many months.

The Clegg Commission's recommendations have caused great disappointment and distress to physiotherapists, who have always refused to take part in any form of industrial action which could be harmful to their patients. The numbers who have participated in today's demonstration provide evidence of the strength of feeling within the professions. Since the recommendations are substantially based on the Hay/MSL findings, my profession cannot regard them as more than a subject for further negotiation within the Whitley Council.

Yours sincerely

Joyce Williams

Vice Chairman of Council
Chartered Society of Physiotherapy



cc: D/Emp

HNT

CSD

CWO

28g
Cwan PA

10 DOWNING STREET

From the Private Secretary

25 March 1980

Thank you for your letter of 20 March about the invitation to you to serve on the Standing Commission on Pay Comparability. I am sorry that my letter did not include the period of the proposed appointment which would run until 6 March 1982, as do the appointments of the present members of the Commission. The appointments are subject to termination at three months' notice on either side.

The Government has always made clear that it is keeping the work and future of the Commission under review and this is still the position. The Press speculation to which you refer is just that and no more.

I certainly understand that you need to discuss the proposed appointment within your union.

N. J. SANDERS

Derek Gladwin, Esq., C.B.E., J.P.

JRC

*Clegg file*

Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Nick Sanders Esq
10 Downing Street
LONDON SW1

25 March 1980

See Nick

Richard Dykes wrote to you yesterday enclosing a draft reply to Derek Gladwin's letter to Mike Pattison of 20 March about his proposed appointment to the Standing Commission on Pay Comparability. After further consideration our officials have suggested a revised draft reply, which I enclose. As you know, Ministers have yet to come to any decision about the future of the Commission and there is no alternative but to offer appointment on identical terms to those afforded the present members of the Commission.

As to the Press speculation, I understand that this refers to a piece in the Guardian recently, the source of which was suggested as being No. 10.

*Yours sincerely**John Anderson*J ANDERSON
Private Secretary

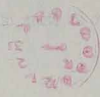
DRAFT LETTER FOR NO 10 TO SEND AT PRIVATE SECRETARY LEVEL TO MR DEREK GLADWIN

Thank you for your letter of 20 March about the invitation to you to serve on the Standing Commission on Pay Comparability. I am sorry that my letter did not include the period of the proposed appointment which would run until 6 March 1982, as does the appointments of the present members of the Commission. The appointments are subject to termination at three months' notice on either side.

The Government has always made clear that it is keeping the work and future of the Commission under review and this is still the position. The Press speculation to which you refer is just that and no more.

I certainly understand that you need to discuss the proposed appointment within your union.

RECEIVED BY THE SECRETARY OF THE ARMY AT WASHINGTON, D. C. MAR 25 1947



125 MAR 1947

The first part of your letter of 20 March 1947 is being referred to the Board of Contract Administration for their consideration. The second part of the letter is being referred to the Board of Contract Administration for their consideration. The third part of the letter is being referred to the Board of Contract Administration for their consideration.

The Government has always been of the opinion that it is in the best interest of the Government to have the contract administration functions performed by the Board of Contract Administration. The Board of Contract Administration is the only body which has the authority to make such decisions.

I believe that you will find this information of interest. I am sure that you will find this information of interest.

APPOINTMENTS - IN CONFIDENCE



Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Return
to
APPT PA
MS

Even 201

Nick Sanders Esq
10 Downing Street
LONDON SW1

24 March 1980

Dear Nick,

In your letter today you asked for a draft reply urgently to the letter of 20 March from Derek Gladwin to Mike Pattison raising two questions on his proposed appointment to The Standing Commission on Pay Comparability.

I enclose a draft reply which, if possible, should be sent off tonight so that he might be re-assured as soon as possible.

Yours ever
Richard

R T B DYKES
Private Secretary

APPOINTMENTS IN CONFIDENCE



B/F 27.3.80

cut

Even PA

10 DOWNING STREET

From the Private Secretary

24 March 1980

I attach a copy of a letter we have today received from Derek Gladwin, in response to our invitation to him to become a member of the Standing Commission on Pay Comparability.

I should be grateful if you could let me have urgently a draft reply covering both points in his second paragraph. May we please have something here by Thursday, 27 March? I am copying this letter and enclosure to John Wiggins (Treasury), Geoffrey Green (Civil Service Department) and Murdo Maclean (Chief Whip's Office).

N. J. SANDERS

Richard Dykes, Esq.,
Department of Employment.

578



2

10 DOWNING STREET

PRIME MINISTER

Here is a somewhat guarded reply from Derek Gladwin to your invitation to join the Clegg Commission. I will let you see our draft reply to him before it goes.

now attached at A:

MS

contact?

Yes not.

MS

24 March 1980

Telephone:
77 8881

Telex:
27472

General Secretary:
DAVID BASNETT

GENERAL AND MUNICIPAL WORKERS' UNION SOUTHERN REGION

Regional Secretary:
DEREK GLADWIN, C.B.E., J.P.



205 HOOK ROAD,
CHESSINGTON,
SURREY,
KT9 1EP

Your Ref:

Our Ref: DOG/RMW

R24

20th March, 1980.

Dear Mr. Partisan,

Thank you for your letter of the 13th March, inviting me to become a member of the Standing Commission on Pay Comparability. As I am sure you will understand, before I can respond to the Prime Minister's invitation, it is necessary for me to discuss this matter within my own Organisation.

However, I notice that, somewhat unusually, your letter does not indicate the period of appointment and I should be grateful if you could clarify this. Secondly, I am rather concerned by the recent Press speculation on the possible demise of the Commission after it has reported on all outstanding References.

*Yours sincerely
Derek Gladwin*

DEREK GLADWIN.

CONFIDENTIAL

RH

6/10/80

Blind cc:- Mr Ingham

DI WO
DN DT
SO DE
DES CS, HMT
CSD CO

17 March 1980

The Prime Minister has read your letter of 13 March about the Standing Commission's Report on Municipal Airport Manual Workers, and has agreed that this report should be published on Tuesday, 18 March as a Command paper.

I am sending copies of this letter to the Private Secretaries of members of E(EA), Robert Green (Department of Education and Science), Geoffrey Green (Civil Service Department) and David Wright (Cabinet Office).

J. P. LANKESTER

J Anderson Esq
Department of Employment

CONFIDENTIAL

G

CONFIDENTIAL



Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Tim Lankester Esq
Private Secretary
10 Downing Street
London SW1

See Mr. Lyman

Yes per

R.
13/3

Announcement
After publication
on 18 March?

13 March 1980

Dear Tim

Thank you for your letter of 7 March to Andrew Hardman.

Subject to the Prime Minister's agreement, we propose to publish the Standing Commission's report on Municipal Airport Manual workers on Tuesday 18 March as a Command paper. I attach a draft press notice for you to put out on that day which has been approved by my Secretary of State. If the other recipients of this letter wish to suggest changes to the draft, perhaps they could let me know by noon on Friday 14 March.

The Commission recommends that municipal airport manual workers should have similar rates of pay of comparable workers in British Airways and the British Airports Authority. In order to establish rates of pay for individual workers it is necessary for them to be assimilated onto the grades and scales of BA and BAA manuals. The Commission considers that this task can only be done by the parties; but requires them to submit their proposals to it for approval before they are put into operation. As the method of assimilation has still to be worked out the Commission is unable to give an estimate in its report of the total cost of its recommendations. But the Office of Manpower Economics estimates, on the basis of reasonably pessimistic assumptions, that the cost is unlikely to exceed £1.7m a year; and that earnings will increase by not more than about 18 per cent.

The pay increases are to be paid in two stages from 1 August 1979 and 1 April 1980. As the assimilation exercise has still to be undertaken the Commission is unable to make recommendations for the first stage which would give precisely half the increase due in the second stage. They recommend instead, as an approximation, that the first stage should take the form of a weekly supplement based on half the difference between the average pay of the municipal airport hands and that of their comparators.

I understand that the increased costs flowing from this award are expected to be met by income derived from the operation of the airports; and that accordingly there should be no additional call on central or local Government funds.



The two sides, and the Government, are all committed to accepting the report's recommendations.

I am copying this letter, with its enclosure, and also copies of the revised report, to the Private Secretaries of members of E(EA), Mark Carlisle, Paul Channon and Sir Robert Armstrong.

Yours sincerely

John Anderson

J ANDERSON
Private Secretary

DRAFT PRESS NOTICE

PAY COMPARABILITY COMMISSION REPORT

The Government today published the report of the Standing Commission on Pay Comparability on the pay of Municipal Airport manual workers. This group was referred to the Commission by the last Government which undertook, with the parties to the reference, to accept the recommendations which the Commission was asked to make. The Commission recommends new pay rates on condition that a scheme for regrading Municipal Airport workers is submitted for approval to the Commission before it is put into operation. The Government accepts the recommendations, noting that those concerning new pay rates are subject to the Commission giving approval to the regrading scheme. Pay increases will be implemented in two stages with effect from 1 August 1979 and 1 April 1980.

17 March 1980

NOTES FOR EDITORS

1. The Standing Commission on Pay Comparability was set up in March 1979 to examine the terms and conditions of employment of groups of workers referred to it by the Government, and to report in each case on the possibility of establishing acceptable bases of comparison. In the case of Municipal Airport manual workers it was asked to make recommendations on how the pay of this group should reflect the results of the comparisons.
2. The Commission's recommendations will give the Municipal Airport manual workers a pay structure for each grade which will be similar to that of their main comparators (British Airways and the British Airports Authority). As part of the recommendations the parties are required to submit a scheme for the grading and assimilation of workers onto the new scales to the Commission for approval before it is put into operation.
3. It is expected that the increased costs resulting from these recommendations will, like any other increased costs falling on Municipal Airports, be met by local authorities from income derived from the operation of the airports.
4. Other groups on which the Commission has yet to report include teachers, some groups of local authority craftsmen and smaller groups.
5. Questions about the content of the report should be addressed to:-
Mr M Peaks, Office of Manpower Economics (tel no 01-405 5944 Ext 312).

APPOINTMENTS IN CONFIDENCE

Scam
cc DM Policy

13 March 1980

I am writing on the Prime Minister's behalf to ask you if you would be willing to serve as a member of the Standing Commission on Pay Comparability. With the resignation of Sir Leslie Williams, there will be a vacancy on the Commission as from 8 April. The Prime Minister would be very pleased if you could agree to serve.

I understand that your work for the Commission would be likely on average to take up to one day a week of your time. The remuneration would be £2,250 a year.

I look forward to hearing whether you feel able to accept this invitation.

M. A. PATTISON

DP

D.O. Gladwyn, Esq., C.B.E.



OFFICE OF MANPOWER ECONOMICS

22 KINGSWAY
LONDON WC2B 6JY

Telephone 01-405 5944

The Rt Hon Margaret Thatcher MP
10 Downing Street
London SW1A 2AL

12 March 1980

Dear Mrs Thatcher,

STANDING COMMISSION ON PAY COMPARABILITY

As you know we decided to hold up publication of Report No 6 on Municipal Airport Manual Workers to enable us to make some amendments. A copy of the amended report is enclosed.

Spare copy in CF

Yours sincerely

Hugh Clegg

12 MAR 1960
11 12 1
2 3 4 5 6 7 8 9 10 11 12

APPOINTMENTS IN CONFIDENCE



Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Tim Lankester
Private Secretary
10 Downing Street
LONDON
SW1

Typical

12 March 1980

MA
13/3

Dear Tim,

STANDING COMMISSION ON PAY COMPARABILITY:
NEW MEMBERS

The Prime Minister has agreed that Mr Derek Gladwyn and Mr Parry Rogers can be approached about their willingness to serve on the Comparability Commission. Both are willing to serve. Mr Gladwyn, however, has asked for a letter inviting him to serve, so that he can consult his union colleagues formally. I attach a draft letter for you to send him.

If Mr Gladwyn, as we expect, accepts the invitation, I will let you have draft letters of appointment for the Prime Minister to send to Mr Gladwyn and Mr Rogers. At the same time I will let you have a draft Press Notice.

Yours ever
Richard Dykes

R DYKES
Private Secretary

APPOINTMENT IN CONFIDENCE

DRAFT

D O Gladwyn Esq CBE JP
2 Friar's Rise
Ashwood Road
Woking
Surrey

I am writing on the Prime Minister's behalf to ask you if you would be willing to serve as a member of the Standing Commission on Pay Comparability. With the resignation of Sir Leslie Williams, there will be a vacancy on the Commission as from 8 April. The Prime Minister would be very pleased if you could agree to serve.

I understand that your work for the Commission would be likely on average to take up to one day a week of your time. The remuneration would be £2,250 a year.

I look forward to hearing whether you feel able to accept this invitation.

JS
Gavin
g.R.

CONFIDENTIAL

bc. W. Ingham JS
c. (Dep.) Tide W/S
DI DEng. CO
DEuv. CS-4HT
SO BKS
WO DRS
WIO



10 DOWNING STREET

From the Private Secretary

7 March 1980

Econ Rd.

STANDING COMMISSION ON PAY COMPARABILITY

The Prime Minister has read your letter of 6 March, and agrees that the Standing Commission's reports on the Professions Supplementary to Medicine and the British Waterways Board Salaried Staffs should be published as Command papers on 10 March.

You told me that it is no longer proposed to publish the report on Municipal Airport Workers on 12 March since a number of revisions have to be made to it.

I enclose a copy of the letter the Prime Minister has sent to Professor Clegg acknowledging receipt of the three reports.

I am sending copies of this letter, without enclosure, to the Private Secretaries to other members of E(EA), to the Secretaries of State for Social Services, Education and Science, and Northern Ireland, the Chief Secretary, the Minister of State in the Civil Service Department and Sir Robert Armstrong.

J. E. LANKESTER

Andrew Hardman, Esq.,
Department of Employment.

JMP

VB

c. D/Emp

7. 3. 50

Dear Professor Clegg,

Thank you for sending me the Standing Commission's three latest reports, on the pay of the professions supplementary to medicine, the British Waterways Board salaried staff and the municipal airport manual workers. As you know, the first two of these will be published on 10 March and the third a little later since I understand some amendments are needed to the text.

I am very grateful to you and the Commission members for your work on these three references.

Yours sincerely,

MT

Professor Hugh Clegg

CWP

APPOINTMENTS IN CONFIDENCE



file LP

10 DOWNING STREET

From the Private Secretary

7 March 1980

Thank you for your letter of 6 March, with the further proposal about the Chairmanship of the Standing Commission on Pay Comparability. The Prime Minister is content with the nomination of Mr. Parry Rogers.

I am sending a copy of this letter to the recipients of yours.

M. A. PATTISON

Richard Dykes, Esq.,
Department of Employment.

APPOINTMENTS IN CONFIDENCE

A handwritten signature in the bottom right corner of the page.

APPOINTMENTS IN CONFIDENCE



Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

M A Pattison Esq
10 Downing Street
LONDON SW1

PRIME MINISTER

Mr Parry Rogers is
proposed for the
Legg Commission,
After several refusals.
Agree?

6 March 1980

Ahead
out

MP
6/3

Dear Mike.

STANDING COMMISSION ON PAY COMPARABILITY

Your letter of 4 March recorded that the Prime Minister was content that Dr James McFarlane should be approached to serve on the Commission. Unfortunately he has declined.

My Secretary of State now proposes that Mr Parry Rogers should be appointed. He is a Main Board Director of the Plessey Group and a Director of companies in the Group. He is also a member of the CBI's Employment Committee and the CBI would undoubtedly welcome his appointment to the Commission. Before joining Plessey he was Chairman of the Executive of IBM and is a past President of the Institute of Personnel Management. My Secretary of State is in no doubt that he would do much to strengthen the Commission and it seems probable that he could be persuaded to accept appointment. The vacancy has proved difficult to fill.

I am sending copies of this letter to John Wiggins (HM Treasury), Geoffrey Green (CSD) and Murdo Maclean (Chief Whip's Office).

Yours ever

Richard

RICHARD DYKES
Principal Private
Secretary



Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

U. M. Hughes
 Tim Lankester Esq
 Private Secretary
 10 Downing Street
 LONDON SW1

Prime Minister

The contents of these further
 reports don't look too bad.

Content for first two to

be published on

Monday?

At Flag A is a letter

5 March 1980

A acknowledgment for you

to send to Mr. Clegg.

Dear Tim,

STANDING COMMISSION ON PAY COMPARABILITY

I am now in a position to let you have the advice which you requested in your recent letters about the Standing Commission's reports on the Professions Supplementary to Medicine and on British Waterways Board Salaried Staffs. *attached to back of file*

Subject to the Prime Minister's agreement it is proposed that these reports should be published as Command papers on 10 March; and the necessary arrangements to do so are in hand. I attach draft press notices for you to put out on that day. The line in these drafts has been cleared at official level with the Departments concerned; and the drafts have been approved by my Secretary of State. No doubt the other recipients of this letter will let me know, by noon on 7 March, if any of their Ministers see difficulties.

The recommendations in the report on the Professions Supplementary to Medicine are estimated to increase the pay bill by 14.2 per cent (not the 15.4 per cent given in paragraph 71 of the version of the report in your possession which was based on mistaken calculations about part-timers and which will be corrected in the published version) on the assumption that all full-time employees choose to work the recommended new 37½ week. On this basis the cost is estimated at £19.6 million (not £21.2 million) in a full year. However I believe it is likely that many of those employees (the majority) who now work less than 37½ hours will wish to continue doing so. This will reduce the cost if the recommendation that the new salaries should in these circumstances be proportionately reduced is accepted by the staff. But it may be resisted as some employees in this position would otherwise have their salaries cut - bearing in mind that interim increases, pending the report, have averaged about 10 per cent and need to be offset against the 14.2 per cent flowing from the report's recommendations. The staff are in any event likely to be disappointed because the recommended increases average quite a bit less than those received by the nurses.



I understand that there will be no difficulty over financing the recommendations; and that there will be sufficient provision on the 1980/81 cash limit.

The recommendations in the report on the British Waterways Board Salaried Staff will increase the pay bill by 6.1 per cent when fully implemented.

Implementation is to be in two stages - the first half from 3 September 1979 and the second half from 1 September 1980. In considering this relatively small increase it needs to be borne in mind that the staff concerned received intervening increases totalling 11.3 per cent between their settlement in September 1978 and their settlement in September 1979. The cost for this small group of 850 workers is £270,000 in a full year when the recommendations have been fully implemented. This cost can, I understand, be contained within the Board's external financing limits for 1979/80 and 1980/81.

In the case of each of these two reports the Government, and the two sides, are all committed to accepting the recommendations.

I will be writing to you separately about a third report, on Municipal Airport Workers, which has only just been received; and which we have not yet had time to consider properly. It is proposed that this should be published on 12 March.

I am copying this letter and enclosures, and also copies of the reports, to the private secretaries to members of E(EA), Patrick Jenkin, Mark Carlisle, Paul Channon, Humphrey Atkins and Sir Robert Armstrong. I also attach, with your letter only, a draft letter for the Prime Minister to send to Professor Clegg acknowledging receipt of the report.

X This report is now

likely to be held up: the text has to be slightly revised.

T.

For Sundry

ANDREW HARDMAN
Private Secretary

CONFIDENTIAL

PRESS NOTICE

PAY COMPARABILITY COMMISSION REPORT

The Government today published the report of the Standing Commission on Pay Comparability on the pay of the Professions Supplementary to Medicine pay group (PSM's). This group was referred to the Commission by the last Government which undertook, with the parties to the reference, to accept the recommendations which the Commission was asked to make, to be implemented from 1 April 1980. The Government has undertaken to honour this commitment. The group received an interim award as from 1 August 1979 on the lines of [redacted] of the first stage of the award to nurses and midwives recommended by the Commission.

10 March 1980

NOTES FOR EDITORS

1. The Standing Commission on Pay Comparability was set up in March 1979 to examine the terms and conditions of employment of groups of workers referred to it by the Government, and to report in each case on the possibility of establishing acceptable bases of comparison. In the case of the PSM's pay group it was asked to make recommendations on how the pay of this group should reflect the results of the comparisons.
2. The Commission calculates that its recommendations would give the various grades an average pay increase of 14.2% on the assumption that they choose to work a 37½ hour working week. Against this must be set the interim award of about 10% from 1 August 1979.
3. Increases in emergency duty payments will also apply to nurses and midwives as the Commission announced in the report on their pay (No.3).
4. The report leaves a number of matters for negotiation by the parties.
5. The Commission's report on the pay of British Waterways Board salaried staff is also published today. Its report on municipal airports manual workers will be published shortly. Other groups on which the Commission has yet to report include teachers, some groups of local authority craftsmen and other smaller groups.
6. Questions about the content of the reports should be addressed to Mr M Peaks, Office of Manpower Economics (Tel: 405 5944 Ext 312).

CONFIDENTIAL

PRESS NOTICE

PAY COMPARABILITY COMMISSION REPORT

The Government today published the report on British Waterways Board salaried staffs pay of the Standing Commission on Pay Comparability. The group was referred to the Commission by the Government which undertook, with the parties to the reference, to accept the recommendations which the Commission was asked to make, and to implement any resulting pay/^{increases} in two stages with effect from 3 September 1979 and 1 September 1980.

10 March 1980

NOTES FOR EDITORS

1. The Standing Commission on Pay Comparability was set up in March 1979 to examine the terms and conditions of employment of groups of workers referred to it by the Government, and to report in each case on the possibility of establishing acceptable bases of comparison. In the case of British Waterways Board salaried staffs, it was asked to make recommendations on how the pay of this group should reflect the results of the comparisons. The reference to the Commission formed part of the group's 1978 pay settlement, which provided for the results of the reference to be phased in equal parts from September 1979 and September 1980.

X (2. The Commission's recommendations will give the staff an average pay increase (depending on grade) of 2.5% from September 1979 and a similar amount in September 1980. This follows and will attract ^{an} 18% increase under the settlement from September 1979. In a full year the award will cost 6.1% of the current pay bill.

3. The Commission's report on the pay of the Professions Supplementary to medicine pay group is also published today. Its report on municipal airport manual workers will be published shortly. Other groups on which the Commission has yet to report include teachers, some groups of local authority craftsmen and other smaller groups.

4. Questions about the content of the reports should be addressed to Mr M Peaks, Office of Manpower Economics (Tel: 405 5944 Ext 312).

X This means that the 18% settlement
which they somehow got
in September will be recalculated
on the basis of the extra 2.5%. J.L.



STANDING COMMISSION ON PAY
COMPARABILITY
OFFICE OF MANPOWER ECONOMICS
22 KINGSWAY
LONDON WC2B 6JY

Evan Pol

Telephone 01 405 5944 Ext. 323

CONFIDENTIAL

T J Lankester Esq
Private Secretary
10 Downing Street
LONDON SW1

6 March 1980

B.
6/3

Dear Tom,

STANDING COMMISSION REPORTS NOS 4 AND 6

This letter records the two matters which I mentioned to you on the telephone this morning.

First of all, a recalculation of the total cost of the Commission's recommendations for the professions supplementary to medicine (Report No 4) reveals that the figures in paragraph 71 of the report should be £19.6m (rather than £21.2m) and 14.2 per cent (rather than 15.4 per cent). The corrected figures will appear in the published report.

Secondly, we should like to hold up publication of Report No 6 (municipal airport workers). The reason, briefly, is this. There are only two comparators - British Airports Authority and British Airways - for municipal airport workers, which makes this report rather unusual. A problem has just arisen about the possible effect on BAA and BA negotiations of what the Commission says in its report about comparisons between municipal airport workers and workers in those comparator organisations. It ought to be possible to solve the problem by some presentational amendment to the text of the report. We will of course let you know if there is to be any amendment.

I am copying this letter to Barnaby Shaw in DE.

Yours sincerely,
David Brown

DAVID BROWN

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8 MAR 1960



he is
bc Bernard Ingham

10 DOWNING STREET

From the Private Secretary

~~B/F 10/380~~

5 March 1980

The Prime Minister has now received the Standing Commission's Report on Municipal Airport Manual Workers. I would be grateful for advice on its substance and handling; and also for a draft letter for the Prime Minister to send to Professor Clegg in reply to his covering letter (copy enclosed). In view of the fact that we have received three Reports from the Standing Commission this week, a single letter of acknowledgement from the Prime Minister to Professor Clegg would probably be appropriate.

We have only been sent one copy of the Report. No doubt you and the other copy recipients can obtain copies from the Office of Manpower Economics.

I am sending a copy of this letter to Stuart Hampson (Department of Trade), Martin Hall (HM Treasury) and David Wright (Cabinet Office).

T. P. LANKESTER

Andrew Hardman, Esq.,
Department of Employment.

92



OFFICE OF MANPOWER ECONOMICS

22 KINGSWAY
LONDON WC2B 6JY

Telephone 01-405 5944

The Rt Hon Margaret Thatcher MP
10 Downing Street
London SW1A 2AL

4 March 1980

Dear Mrs Thatcher,

STANDING COMMISSION ON PAY COMPARABILITY (Report No 6 - filed in a separate box)

We have now completed work on the Municipal Airport Manual Workers' reference and I have pleasure, therefore, in submitting the attached Report.

Yours sincerely

Hugh Clegg

H A CLEGG

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-5 MAR 1960

file
APPOINTMENTS IN CONFIDENCE DS



10 DOWNING STREET

From the Private Secretary

4 March 1980

Thank you for your letter of 3 March, about appointments to the Standing Commission on Pay Comparability.

The Prime Minister has noted that Mr. Derek Gladwin is willing to accept appointment.

Mrs. Thatcher is also content that your Secretary of State should approach Dr. James McFarlane to serve on the Commission.

I am sending copies of this letter to John Wiggins (HM Treasury), Geoffrey Green (Civil Service Department) and Murdo Maclean (Chief Whip's Office).

M. A. PATTISON

Richard Dykes, Esq.,
Department of Employment.

R

FILE

VLB

(Don R)

HMT
cc DHSS
CO
bc Press Office

B7F 18-3-80

4 March 1980

The Prime Minister has now received the Standing Commission's Report on professions supplementary to medicine. I enclose a copy of Professor Clegg's letter under which he submitted the Report, and would be grateful for advice on its substance and handling; and also for a draft letter which the Prime Minister can send to Professor Clegg in reply.

We have only been sent one copy of the Report. No doubt you and other copy recipients can obtain copies from the Office of Manpower Economics.

I am sending a copy of this letter to Don Brereton (Department of Health and Social Security) and David Wright (Cabinet Office), and to Martin Hall (HM Treasury).

T.P. LANKESTER

Andrew Hardman, Esq.,
Department of Employment.



Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

PRIME MINISTER

Agree that
Dr James McFarlane
of GKN be invited
to join Clegg
Commission?

Yes not
MAD 3/13

3 March 1980

M A Pattison Esq
Private Secretary
to the Prime Minister
10 Downing Street
LONDON SW1

Dear Mike,

MEMBERSHIP OF STANDING COMMISSION ON PAY COMPARABILITY

In your letter of 21 January you recorded the Prime Minister's agreement to my Secretary of State's proposals for the appointment of a trade unionist and an employer to the forthcoming vacancies on the Commission.

Derek Gladwin of the GMWU, the first preference among the trade unionists, has indicated that he would be willing to accept appointment.

It has not however yet been possible to secure an employer. Bob Ramsey of Ford has been found unable to serve and some reservations have arisen about the alternative names proposed following soundings with the CBI. My Secretary of State now proposes to approach Dr James McFarlane who is a main board member of GKN. He is currently General Manager (Personnel) and has been in line management for most of his career. He is a well respected and tough minded Scot and a member of the CBI's Employment Policy Committee. He is very well regarded and could be relied on to make a strong contribution. He would be the CBI's first choice after Bob Ramsey.

I am sending copies of this letter to John Wiggins (Treasury) Jim Buckley (OSD) and Murdo Maclean (Chief Whip's Office)

Jan Siamy

Richard Dykes

RICHARD DYKES
Private Secretary



3 - MAR 1960



OFFICE OF MANPOWER ECONOMICS

22 KINGSWAY
LONDON WC2B 6JY

Telephone 01-405 5944

The Rt Hon Margaret Thatcher MP
10 Downing Street
LONDON
SW1A 2AL

3 March 1980

Dear Mrs Thatcher,

STANDING COMMISSION ON PAY COMPARABILITY

We have now completed work on the professions supplementary to medicine reference and I have pleasure, therefore, in submitting the attached report.

Yours sincerely
Hugh Clegg

3 - MAR 1940





From RN
BF 17/3/80

10 DOWNING STREET

From the Private Secretary

3 March, 1980.

The Prime Minister has now received the Standing Commission's Report on the British Waterways Board Salaried Staffs. I enclose one copy of the Report and also Professor Clegg's letter under which he forwarded it.

I would be grateful for early advice on the substance and handling of this Report. Could you also provide me with a draft letter to send to Professor Clegg.

I am sending copies of this letter to John Wiggins (HM Treasury), David Edmonds (Department of the Environment), and David Wright (Cabinet Office). Other Departments who wish to see the Report will no doubt be able to obtain copies from the Office of Manpower Economics.

J. P. LANKESTER

Andrew Hardman, Esq.,
Department of Employment.

ARBY

NSS

From Professor Hugh Clegg, Chairman, Standing Commission on Pay Comparability



OFFICE OF MANPOWER ECONOMICS
22 KINGSWAY
LONDON WC2B 6JY

Telephone 01-405 5944

The Rt Hon Margaret Thatcher MP
10 Downing Street
London SW1A 2AL

3 March 1980

Dear Mrs Thatcher,

STANDING COMMISSION ON PAY COMPARABILITY

We have now completed work on the British Waterways salaried staffs reference and I have pleasure, therefore, in submitting the attached report.

Yours sincerely

Hugh Clegg

H A CLEGG



OFFICE OF MANPOWER ECONOMICS

22 KINGSWAY
LONDON WC2B 6JY

Telephone 01-405 5944

The Rt Hon Margaret Thatcher MP
10 Downing Street
LONDON
SW1A 2AL

3 March 1980

Dear Mrs Thatcher,

STANDING COMMISSION ON PAY COMPARABILITY

We have now completed work on the professions supplementary to medicine reference and I have pleasure, therefore, in submitting the attached report.

Yours sincerely
Hugh Clegg

Leon R.

Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Tim Lankester Esq
 Private Secretary
 10 Downing Street
 LONDON SW1

R. 2/12

29 FEBRUARY 1980

Dear Tim,

COMPARABILITY COMMISSION REPORTS

The Comparability Commission is expected to present three reports to the Prime Minister next week. Reports on Professions Supplementary to Medicine and on British Waterways Board staff are expected on Monday 3 March. We are arranging printing for publication on 10 March. A report on Municipal Airports workers is expected on Wednesday 5 March, for publication on 12 March.

In the usual way my Secretary of State will make proposals to the Prime Minister shortly after the reports are received about how the Government should react to the reports on publication.

*Yours truly**Andrew Hardman*

ANDREW HARDMAN
 Private Secretary



MS
cc D/M
CS

10 DOWNING STREET

THE PRIME MINISTER

25 January 1980

Dear Sir William,

Thank you for your letter of 18 January giving three months' notice of your intention to resign from the Standing Commission on Pay Comparability. I can readily appreciate your reasons for withdrawing from the Commission, and I accept your resignation.

You and your fellow Commissioners have been given an arduous series of studies to carry out in fairly short order and I know they must have imposed heavy demands on you. I am very grateful to you for the contribution you have made to the Commission's work.

Yours sincerely
Margaret Thatcher

Sir William Ryland

JS



HS
cc: B/M
CSD

10 DOWNING STREET

THE PRIME MINISTER

25 January 1980

Dear Sir Leslie,

Thank you for your letter of 17 January giving three months' notice of your intention to resign from the Standing Commission on Pay Comparability. I can readily appreciate your reasons for withdrawing from the Commission, and I accept your resignation.

You and your fellow commissioners have been given an arduous series of studies to carry out in fairly short order, and I know they must have imposed heavy demands on you. I am very grateful to you for the contribution you have made to the Commission's work.

Yours sincerely
Margaret Thatcher

Sir Leslie Williams, C.B.E.



10 DOWNING STREET

PRIME MINISTER

We now have the expected resignation letters from two members of the Clegg Commission, Sir Leslie Williams and Sir William Ryland. I attach draft replies to each of them.

24 January 1980

CS



S.A.
Type for PM's
signature M.

Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

M Pattison Esq
Private Secretary
10 Downing Street
London

24 January 1980

Dear Mike

I attach draft letters that the Prime Minister might send to Sir Leslie Williams and Sir William Rylands.

I am sending a copy of this letter and enclosure to David Laughrin (CSD).

Yours sincerely
Ian Fair

I A W FAIR
Principal Private
Secretary

Sir Leslie Williams CBE
26 Russell Green Close
Purley
SURREY CR2 2NR

Thank you for your letter of 17 January giving three months' notice of your intention to resign from the Standing Commission on Pay Comparability. I can readily appreciate your reasons for withdrawing from the Commission, and I accept your resignation.

You and your fellow commissioners have been given an arduous series of studies to carry out in fairly short order, and I know they must have imposed heavy demands on you. I am very grateful to you for the contribution you have made to the Commissions work.

Sir William Ryland
13 Mill View Gardens
Upper Shirley Road
CROYDON
Surrey CRO 5HW

Thank you for your letter of 18 January giving three months' notice of your intention to resign from the Standing Commission on Pay Comparability. I can readily appreciate your reasons for withdrawing from the Commission, and I accept your resignation.

You and your fellow Commissioners have been given an arduous series of studies to carry out in fairly short order and I know they must have imposed heavy demands on you. I am very grateful to you for the contribution you have made to the Commission's work.



24 JAN 1950

CONFIDENTIAL

N6PM Econ
MAD Pol



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

PRIME MINISTER

MEMBERSHIP OF STANDING COMMISSION
ON PAY COMPARABILITY

I have seen a copy of Jim Prior's minute to you of 17 January. I agree with the proposals he makes for replacements on the expected resignations of Sir Leslie Williams and Sir William Ryland. I welcome particularly his list of names for possible replacement of Sir William Ryland, which would strengthen the private sector management element in the Commission.

I am copying this to the Lord President, the Chief Whip and Sir Ian Bancroft, as well as to Jim Prior.

A handwritten signature in black ink, appearing to be 'G.H.'.

(G.H.)

22 January 1980

CONFIDENTIAL

22 JAN 1960



M

CONFIDENTIAL

B



Econ 107

10 DOWNING STREET

From the Private Secretary

21 January 1980

The Prime Minister has now considered your Secretary of State's submission of 17 January about the membership of the Standing Commission on Pay Comparability.

She is content that he should sound out potential successors from amongst the names set out in his minute. Her only qualification concerns Mr. John Flood: she would hope that one of the other names on the trade union side would be willing to take on the post.

I am sending copies of this letter to Martin Hall (HM Treasury), Geoffrey Green (Civil Service Department), Murdo Maclean (Chief Whip's Office) and David Laughrin (Civil Service Department).

M. A. PATTISON

Ian Fair, Esq.,
Department of Employment.

CONFIDENTIAL

GC

94
B/F 24.1.80

B/F

21 January 1980

Further to my letter of 18 January, we have now received Sir Leslie Williams' resignation from the Standing Commission on Pay Comparability. I would be grateful if you could let me have a draft reply at the same time as you provide one for Sir William Ryland.

I am sending a copy of this letter and enclosure to David Laughrin (CSD).

M. A. PATTISON

Ian A W Fair Esq
Department of Employment

TWR

21 January 1980

I am writing to acknowledge your letter of 17 January to the Prime Minister.

I will, of course, bring this to the Prime Minister's attention immediately and I know that she will wish to reply to your letter personally.

MP

Sir Leslie Williams CBE

TGR

FILE

PH

B/F 24.1.80

pc C&D.

18 January 1980

The Prime Minister will see over the weekend Mr Prior's submission about the membership of the Standing Commission on Pay Comparability.

In the meantime I enclose a copy of Sir William Ryland's letter of resignation, which reached us today. I have acknowledged this, and I would be grateful if you could let me have a draft reply for the Prime Minister to send. It would be helpful if this could reach me by close of play on Thursday, 24 January.

M. A. PATTISON

Ian A W Fair Esq
Department of Employment

5

FILE

EH

18 January 1980

I am writing on behalf of the Prime Minister to acknowledge your letter of 17 January.

I will, of course, bring this to the Prime Minister's attention at once, and she will be replying to you as soon as possible.

M. A. PATTISON

Sir William Ryland

B

PRIME MINISTER

Mr Prior reports the forthcoming resignation of two members of the Clegg Commission. He would like authority to sound out potential successors from these lists (in order of preference):-

Employer: replacing Sir William Ryland

Mr Bob Ramsey (Fords)
Mr Mike Forman (Tube Investments)
Mr Jim Bell (ICI)

Trade Union: replacing Sir Leslie Williams

Mr Derek Gladwin (GMWU)
Mr Ken Baker (GMWU)
Mr Eric Hammond (EEPTU)
Mr John Flood (USDAW)
Mr John Edmonds (GMWU)

David Wolfson knows only John Flood amongst these, and would not strongly recommend him.

Agree that Mr Prior should seek successors, from these lists, subject to any comments the Chancellor or the Chief Whip may have?

Existing membership at A.

18 January 1980

MAD

*Yes our
Please also take David;
visit with account
no.*

MEMBERS OF STANDING COMMISSION ON COMPARABILITY

The Chairman and members of the Standing Commission on Comparability are as follows:-

CHAIRMAN

Professor Hugh A. CLEGG, M.A., Professor of Industrial Relations at Warwick University, since October 1967. Age 58. Former member of the Council of the Advisory, Conciliation and Arbitration Service. (Resigned to make time for this new appointment.) An acknowledged authority on industrial relations who has had considerable practical experience as an arbitrator.

MEMBERS

Mr. C.H. ('Harry') URWIN, Deputy General Secretary of the TGWU since 1969. Age 64. Resigned from the Manpower Services Commission; the Council of the Advisory, Conciliation and Arbitration Service; and the National Enterprise Board in order to take up his new appointment. A member of the TUC General Council.

Sir Leslie WILLIAMS, C.B.E., former General Secretary of the Society of Civil and Public Servants, until 1966. Former Secretary-General of the Staff Side of the Civil Service Whitley Council from 1966-1973. Age 65. Former Chairman of the Civil Service Appeal Board and a former member of the Royal Commission on Standards of Conduct in Public Life. Member Armed Forces Pay Review Body.

Mr. Peter D. GIBSON, Director of Personnel and Administration at BP Oil Limited until 30 December, 1978. Age 58. A former member of the Petroleum Industry Training Board.

Sir William RYLAND, C.B., Comp. I.E.E. F.B.I.M., Hon. C.G.F.A., formerly Chairman of the Post Office Corporation. Age 65. Retired in October 1977 after 43 years' service to the Post Office.

Professor Joan E. MITCHELL, Professor of Political Economy at the University of Nottingham. Age 59. Formerly an economist at the Board of Trade, 1947-1950, and a Research Officer for the Labour Party, 1950-1952. A member of the Committee to Review the Functioning of Financial Institutions (Sir Harold Wilson's Committee) and of the East Midlands Economic Planning Council. Member of National Board for Prices and Incomes 1965-1968.

Appointments - in - confidence

cc Mr. Lankester

MR. WOLFSON

Mr. Prior reports that both Sir Leslie Williams and Sir William Ryland are likely to resign from the Clegg Commission with effect from mid-April.

Mr. Prior proposes that Sir William Ryland might be replaced by (in order of preference) Mr. Bob Ramsey (Fords), Mr. Mike Forman (Tube Investments) or Mr. Jim Bell (ICI). To replace Sir Leslie Williams his proposals are Mr. Derek Gladwin (GMWU), Mr. Ken Baker (GMWU), Mr. Eric Hammond (EPTU), Mr. John Flood (USDAW) or Mr. John Edmonds (GMWU).

If you have any comments on these choices, can you let me have them in the course of Friday, for submission to the Prime Minister over the weekend.

MAP

DW is unenthusiastic about John Flood.

MAP 131.

17 January 1980

Sir Leslie Williams C.B.E.

I. 01-660 9666

26 Russell Green Close,
Purley,
Surrey.
CR2 2NR

Dear Prime Minister,

119
17 January 1980.

I was invited by your predecessor to serve as a member of the Standing Commission on Pay Comparability. I said that I was willing to help with the major references arising from the industrial disputes of a year ago but that I could not commit myself to the full formal period of appointment.

The work of the Commission has made extremely heavy demands upon members and in my own case has added considerably to my other public service duties (Chairman, National Hospitals for Nervous Diseases; Review Body on Armed Forces Pay; member (part-time) UKAEA).

For personal and family reasons I now wish to reduce my commitments and a little leisure would be welcome. I should therefore

to relinquish my membership of the
Comparability Commission as soon as is
reasonably practicable. The Commission expect
to complete their work on the major references
arising from last year's disputes at about
the end of March. It would therefore seem
convenient that I should leave the Commission
in April, on a date to be agreed with the
Chairman, who is aware of my intentions.

I felt that it would be helpful
to give you ample notice of my wish to
terminate this appointment and I hope you
may feel that my request is a reasonable
one.

Yours sincerely,

Leslie Williams

Rt. Hon Margaret Thatcher M.P.

Prime Minister.

01-856 4224

13 MILL VIEW GARDENS
UPPER SHIRLEY ROAD
CROYDON
CRO 5HW

17 January 1980

Dear Prime Minister

I am very grateful for
the opportunity of having all colleagues
on the Standing Committee on Pay
Capabilities since it was established
last year. It has seen timely,
however, for me to consider
relinquishing the appointment.

When I agreed to join the
Committee, I doubted whether I

would wish to have a full
team. Since then, three reports
have been submitted to you
and others are expected to follow
within the next three months. Together
these reports complete work
on the main references now to the
Commission following its visit of last
winter.

I see this on an appropriate
time for me to withdraw with
least inconvenience to others. I hope,

01-056 4224

13 MILL VIEW GARDENS
UPPER SHIRLEY ROAD
CROYDON
CRO 5HW

Therefore, Mr. - you will feel able
to accept as reasonable this request -
that I should leave the
Commission after the expiry of
the three months period of notice
specified in the terms of the appointment.
The Secretary of State for Employment
and the Chairman of the Commission are
aware of this request -

Yours sincerely
R. W. G. H. T. R. (L. and)

Jim has seen.

PRIME MINISTER

MEMBERSHIP OF STANDING COMMISSION ON PAY COMPARABILITY

1 I understand that both Sir Leslie Williams and Sir William Ryland have decided to give three months' notice of resignation from the Commission, and that you will very soon be receiving letters from them to that effect.

2 My understanding is that the first of these resignations arises from Sir Leslie's increasing age and ill health; and that Sir William Ryland feels that the main work of the Commission will have been done when the reference on teachers is completed. Both, I believe, gave some indication on appointment that they might not wish to serve for a full 3-year term.

3 Three months' notice takes us to mid-April, when the Commission should have just completed its reference on teachers but will still have a number of references before it, notably university teachers and local authority craftsmen, which will take it through to at least the end of the year. It will therefore be necessary to replace these two members. E Committee invited me on 30 November to bring forward proposals on the membership of the Commission, and officials of the Departments concerned have been considering this (though I had not intended to make proposals until we were clearer about the Commission's future). As an employer member to replace Sir William Ryland, my first choice would be Mr Bob Ramsey (Fords); alternatives (in order of preference) might be Mr Mike Forman (Tube Investments) or Mr Jim Bell (ICI). For a trade union member to replace Sir Leslie Williams I would suggest (in order of preference) Mr Derek Gladwin (GMWU), Mr Ken Baker (GMWU), Mr Eric Hammond (EEPTU), Mr John Flood (USDAW) or Mr John Edmonds (GMWU). As it happens I shall be seeing the Chairman next week, and if he has any comments relevant to the choice of successors I will write again.

4 Subject to your agreement and any comments from colleagues, I propose that when the expected letters of resignation have been



received, I should arrange for the possible successors to be sounded out informally, in the order of preference set out above. I would propose that these appointments should run only to March 1982, to be coterminous with those of existing members.

5 I do not think we need at this stage consider possible successors to the Chairman, who should continue until September this year (and is willing to do so) to see the current references through. Nor do I see a strong case for adding any further independent member(s) at this stage. It would not make sense to add an academic, given that the main existing reference after teachers is university teachers (in which Professor Clegg and Professor Mitchell, as interested parties, will not participate).

6 I am sending copies of this minute to the Chancellor, the Lord President and the Chief Whip, and to Sir Ian Bancroft.

JP

17 January 1980

CONFIDENTIAL

File 14

Original on
National Health
Nurses Pay: Oct 79



Econ Pol

10 DOWNING STREET

From the Private Secretary

4 January 1980

Thank you for your letter of 3 January, regarding the Chancellor's response to the Prime Minister's concerns about the cost of the latest Clegg Commission Report.

The Prime Minister has noted that the Chancellor has set in hand a review by officials of the quality of the latest report. She looks forward to receiving his further advice on the matter when this is to hand.

I am sending copies of this letter to the Private Secretaries to the members of E(EA), and to Don Brereton (Department of Health and Social Security), Richard Prescott (Paymaster General's Office) and Martin Vile (Cabinet Office).

M. A. FALLISON

Martin Hall, Esq.
HM Treasury

CONFIDENTIAL

16

DISTRIBUTION

INDUSTRY
EMPLOYMENT
ENVIRONMENT
SO
WO
TRADE
ENERGY
CHIEF SEC, TSY

DHSS
PAYMASTER GENERAL
CO

CONFIDENTIAL

Original on National Health Nurses Pay: OCT 79



PRIME MINISTER

The Chancellor has already set in hand further work on Clegg, which could prepare the grounds for Ministers to reconsider the Commission's future.

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

3rd January 1980

Der Tim,

and

MAH 31.

CLEGG COMMISSION: REPORT ON NURSES' AND MIDWIVES' PAY

The Chancellor has seen your letter of 28 December to Ian Fair. He shares the worry the Prime Minister has expressed about the cost of the latest Clegg Commission report.

As the Chancellor understands it, the remainder of the present work programme of the Clegg Commission - mainly the group of references on teachers - represents the completion of the series of reviews for 1979 to which the present Government was already virtually committed on taking office. For the present, no enthusiasm is being shown in any quarter for extensions of the work of the Commission on a regular basis - with the possible exception of some areas of the National Health Service, where management may see attractions in a regular process of outside review, but the views of unions are still unclear. It does not seem likely that the latest report on nurses and midwives will provoke enthusiasm.

In these circumstances the Chancellor thinks it would be valuable for officials to prepare quickly and present to Ministers a review of the quality of the latest report, up-dating the comments made on the first two reports (local authority manuals, Health Service ancillaries, etc.) and paying particular attention to the extent to which the latest report reflects the important points urged on the Commission in the Government evidence presented to them a couple of months ago. He has asked Treasury officials to arrange for this to be done.

I am copying this letter to the Private Secretaries to members of E(EA); to Don Brereton and Richard Prescott; and to Martin Vile.

Yours ever,
MAH

M.A. HALL
(Private Secretary)

T. Lankester Esq.

CONFIDENTIAL

Eca
PR

CONFIDENTIAL

PRIME MINISTER

Future of the Standing Commission on Pay Comparability
(E (79) 49)

BACKGROUND

E Committee last considered the future of the Clegg Commission on 11th September, just after it had produced its first (and so far only) reports on the Public Service Manuals and University Technicians. It was then agreed:-

- (i) that the Commission should complete its work on existing references (including teachers and nurses);
- (ii) that the Government should submit its general evidence to the Commission (now done);
- (iii) that E should consider again the longer-term future of the Commission - hence the present meeting - on the basis of a further paper by the Chancellor. In addition, and associated with this remit, the Committee asked for a paper on the treatment of job security etc. in comparability studies, and on the treatment of index-linked pensions. The first point is dealt with in this paper. The second is the subject of a related paper by the Lord President which we have placed on the same Agenda. The Chancellor had considered circulating a personal paper of his own about the index-linked pensions, but has decided against this. That does not necessarily mean that he agrees with the Lord President's proposals (on which I have sent you a separate brief) and he may indeed wish to oppose them in Committee.

2. The Chancellor's paper, which has been extensively re-written since the work done by officials, deals with the long term future, the membership, candidates for future references, form of future references, and the broad

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questions of efficiency, job security and labour market factors. In considering these, it may help to remember that the Commission is at present carrying out studies on teachers (an interim report is likely to be available in January 1980 and a full report in the summer) and on nurses (a full report likely at the turn of the year). The final stages of its recommendations on local authority manuals and NHS ancillaries and ambulance men, and university technicians, are only just coming into payment. But because they are backdated to last winter, the next round is just about due. So far it has been assumed that Clegg will play no part in up-dating his last-round recommendations for inflation. A number of other candidates have been suggested: notably local authority APTC grades (who were, in the end, the subject of a separate in-house joint study by the employers and the unions, which has yet to report). Other groups currently under 'comparability' examination include the Civil Service industrials (next July) and non-industrials (next April). In addition, there are the three groups covered by the review bodies: the top salaries group; armed forces; and doctors and dentists. All of these were the subject of reports within the last twelve months, and are due to be up-dated next Spring.

HANDLING

3. Once the Chancellor has introduced his paper, I think the best course would be to go through the different headings as quickly as possible. A number of Ministers will wish to speak to each item: I have shown these in brackets at the head of each entry:-

- (i) Long Term Future of the Commission. (Employment; Industry; and Client Ministers - Social Services, Education, Environment)
The Chancellor is much more sceptical than were officials in the working group report which was originally submitted to him. He sets out three arguments against any long-term commitment. Against this, other Ministers will argue that some form of standing machinery (as with the existing review bodies) ensures continuing expertise; provides a measure of consistency of

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treatment; avoids the special pleading associated with review bodies concerned with one client group (e.g. the doctors and dentists); and avoids the panic recommendations of the typical 'Wilberforce-type' study (the May Committee report on the prison services, due this week, is the first time anyone can remember such a body failing to deliver the solution sought by the employees). However, the Committee may well settle for it if the Chancellor's proposal closes no options.

- (ii) Membership. (Employment; Industry; Lord President).

I think you could dispose of this briefly, by inviting the Secretary of State for Employment (who is responsible for the Clegg Commission) to consult his colleagues and bring forward proposals to you separately. Any Ministers who have suggestions to make might be invited to pass them on to the Secretary of State.

- (iii) Candidates for Future References. (Education; Social Services; Environment; etc.)

The Chancellor proposes soundings of the local authority and NHS management sides, to see whether they want to use the possibility of a future reference to Clegg as an element in their current negotiations. Clegg himself recognised that the speed with which his first studies were undertaken left a lot of gaps and a full new review would inevitably take a good deal of time to carry out. It follows that this year's settlements must inevitably be largely 'up-dating', and Cabinet has already laid down the amount to be allowed in the Rate Support Grant negotiations, which will condition the amount available for the key manuals' group. But a reference to Clegg to provide the basis for next year's negotiations might help to buy off trouble - or prevent excessively high settlements - this winter. Initial soundings at this stage might therefore be a sensible precaution.

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- (iv) Form of Future References. (Chancellor; sponsor Ministers)
The Chancellor recommends that in general (not in every case) Clegg should be asked to establish the facts and leave the negotiators to settle the exact deal on the basis of this neutral data base. This is broadly similar to the pay research process, but leaves open the possibility of using Clegg as an arbitrator or umpire in particular cases, if all concerned see advantage in doing so. I doubt if anyone will disagree.
- (v) Efficiency, Job Security, etc: non-Civil Service groups.
(Environment, Education, Social Services).
The proposal here is that the line taken in the Government evidence to Clegg should be followed up case by case with the individual employers and in future references to the Commission. No further action is called for at this stage. You might, however, take this opportunity to remind the Secretary of State for the Environment to keep the Committee in touch with developments in the local authority manuals negotiations; and ask the Secretary of State for Social Services to bring forward proposals for the National Health Service cash limits (which will effectively put a ceiling on the pay negotiations for the ancillaries' group) in December or early January, as agreed by the Committee at its previous meeting.
- (vi) Non-industrial Civil Service: Job Security. (Lord President; Employment; Industry; other Ministers with large Civil Service staffs).
The proposal is to make use of the present PRU Board to impose some 'wider judgment' on the factual evidence produced by the PRU itself. Last year's pay research reports indicated that job security is no greater in the Civil Service than among the analogues. One difficulty here is that many of the analogues are themselves within the public sector. Another is that the

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analogues in the private sector are, on the whole, larger employers with a reputation for looking after their staff and avoiding unnecessary redundancies. Most Ministers felt, subjectively, that this evidence produced the wrong result. On the other hand, there is clearly likely to be some involuntary redundancy in the Civil Service in the next year or two, as a result of the present staff cuts exercise; so job security may be less than in the past. Somebody has to take the responsibility for weighing these various factors together. If PRU cannot produce any objective evidence, the PRU Board, particularly if augmented, might be the best group (I attach at Annex a note of its membership). The Board will have to work fast if it is to consider these points in time for the settlement due in Spring 1980.

(vii) Non-industrial Civil Service: Labour Market Factors.

The real problem here may be not so much the theological objections of the Priestley Commission as the fact that the Civil Service is organised in classes and grades which are Service-wide. The Chancellor proposes putting these factors into second place, and concentrating on job security this year, while mounting a few pilot studies. I do not think the Lord President will object to this; other Ministers (notably the Secretary of State for Industry) may want to go much faster. You will remember that a separate exercise is already in hand at official level on the scope for decentralised pay negotiations in the public sector. Some of the ideas emerging in this study may be relevant here - e.g. for an attempt to be made to collect PRU data on a regional basis - but there is clearly a need for more information if policy is to be soundly based. The best course may be to accept the Chancellor's proposal for interim studies, and to link these to the forthcoming report

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of the official group on decentralisation. Indeed, that group could be asked to oversee the new studies so that the various strands can be coherently brought together.

(viii) Efficiency. (Employment; Industry; Lord President)

The Chancellor makes no firm recommendations. The present negotiating system makes a clear distinction between efficiency and pay research. The CSD line, which is based on many years experience, is that the Government will find itself paying for improved efficiency if it introduces this as a factor into pay bargaining. At present, the CSD reckons to get improvements in working practices quite separately and for free i. e. without having to 'buy them out' as in much of the private sector. The traditional pattern has been that the Civil Service unions will on the whole co-operate with the introduction of new working methods.

CONCLUSIONS

4. You might follow the checklist in paragraph 14 of the Chancellor's paper:-

- (a) The Committee might agree to keep the Clegg Commission available for new references, developing it pragmatically and without full commitment to its long term future or to the principle of comparability.
- (b) You might ask the Secretary of State for Employment, in consultation with interested colleagues, to submit proposals to you for strengthening the Commission.
- (c) The Secretary of State for the Environment and the Secretary of State for Social Services (consulting Scotland and Wales as necessary) might sound out the managements of NHS and local authorities about future references of the manuals and ancillaries groups).
- (d) The Committee might agree that future references should normally, but not invariably, be in the form of request for findings as a basis for negotiation, rather than specific and binding awards.

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- (e) Government evidence should be followed up with Professor Clegg as recommended in paragraph 11.
- (f) The Lord President should arrange for the Pay Research Unit Board, perhaps suitably augmented, to conduct a study of comparative job security in the non-industrial Civil Service in time for this year's pay research settlement.
- (g) The Lord President should arrange for the CSD to make pilot studies of labour-market factors in selected areas in consultation with other Departments as necessary (and using the existing official group on decentralising pay bargaining in the public services as the co-ordinating instrument).
- (h) (Not in the original list) the Secretary of State for the Environment and the Secretary of State for Social Services to be invited to report on the local authority manual workers' pay negotiations, and on the prospects for the NHS ancillaries and ambulancemen settlements, and (in consultation with the Chancellor) to make recommendations for the NHS cash limits, in December.

ReA

(Robert Armstrong)

29th October 1979

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Chairman:	Lord Shepherd	
Deputy Chairman:	Sir Derek Rayner	
Other independent voting members:	Professor Rodney Crossley	
	Mr Lief Mills	
	Baroness Pike	
Non-voting members:	Mr F G Burrett)	CSD
	Mr J E Pestell)	
	Mr W L Kendall)	NSS
	Mr P L Avery)	
Director of the PRU ex officio		



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M A Hall Esq
Private Secretary to the
Chancellor of the Exchequer
Treasury Chambers
Parliament Street
SW1

PL 1/11

28/9/79

Dear Martin

STANDING COMMISSION ON PAY COMPARABILITY: GOVERNMENT EVIDENCE

My Secretary of State has now forwarded the Government's evidence to the Commission with two small changes to correct factual inaccuracies in paragraphs 4 and 5, which were agreed between our two offices.

I am sending copies of the version as submitted to the Private Secretaries to the other members of E Committee, Philip Hunter, Don Brereton and Martin Vile.

*Yours sincerely
I A W FAIR*

I A W FAIR

STANDING COMMISSION ON PAY COMPARABILITY

GOVERNMENT EVIDENCE

The Government appreciates the time and effort that the Commission and its staff have put into its first two reports. Several of the issues raised by them are of direct relevance to the Commission's work on its outstanding references. The Government therefore offers the following comments on the most important of them.

Nature of Comparisons

2. The Government would like to emphasise its agreement with the Commission that:-

(a) job-for-job comparison is the most satisfactory method of carrying out comparisons where there is an adequate range of outside comparators;

(b) indexation is not a satisfactory means of determining pay;

(c) historical comparisons are not relevant as a basis for determining current pay levels.

3. The Commission is clearly well aware of the difficulties and dangers of factor analysis. The Government agrees that it should only be used where job-for-job comparison is not possible. The Government therefore welcomes the Commission's concern that, where factor comparisons do have to be used, they are rigorous and tailored to fit the reference. It hopes the Commission will press ahead with its review of existing methods, and will design new ones where necessary.

4. The Commission recognises that the adequacy of job-for-job comparisons depends on having both sufficient 'benchmark' jobs and sufficient comparators, and draws attention to problems on both these fronts. The former problem was clearly due to lack of time, as was presumably the latter, thus leaving no choice but to rely very largely

upon information already available to the Pay Research Unit. No doubt it is the Commission's intention to remedy both in future references.

5. One more specific problem should be mentioned. The use on this occasion of a 'trend line', and recommendations based on past pay relationships, are unsatisfactory, and were also due to pressure of time. The Government very much hopes that in future the Commission will find it possible to avoid these and to rely throughout on up-to-date comparisons. It accepts that this may entail the negotiation of substantial alterations in existing pay structures.

Selection of Comparators

6. The Government fully endorses the Commission's rejection of comparators whose pay is itself determined by comparison on a regular and systematic basis. This is clearly essential in order to avoid circularity. It shares doubts over using other comparators from the public sector, and suggests that some of these and, indeed, other possible comparators may turn out to be inappropriate because they are not sufficiently subject to market forces. It hopes the Commission will be able to press ahead quickly with consideration of this problem.

7. The Government notes that the first reports give little information on what comparators were selected, and how. Clearly there are limitations imposed by the need to maintain confidentiality, on which the decision must in the last resort be one for the Commission. But comparisons must be seen to be fair if they are to command public confidence. The Government is sure that the Commission is acutely aware of this, and trusts that in future reports it will be able to give enough information to satisfy outsiders that a balanced and representative selection of comparators has been achieved.

Efficiency

8. The Government fully endorses the Commission's view of the importance of investigating and comparing relative levels of efficiency:

otherwise the comparisons will not justify matching pay levels. It therefore welcomes the Commission's intention to study the problem. Meanwhile the Commission has already drawn attention in its first reports to some examples of inefficiency it has discovered, and made suggestions to the parties about them. The Government hopes that the Commission will develop this practice in future reports, by looking particularly during its inquiries for prima facie examples of inefficiency. Where there is a clear-cut case, the Commission should draw attention to it and express its findings or recommendations in such a way that pay levels are contingent upon the necessary improvements in efficiency.

Non-Pay Conditions of Service

9. The Government is concerned that, no doubt due to lack of time, specific non-pay benefits received less full treatment than might have been expected. The giving of equal weight to shift premia and sick pay is, as the Commission recognises, at best an approximation. The Government hopes that, in subsequent references, the Commission will cover this area more fully.

10. The Government is particularly concerned that adequate account should be taken of job security and similar factors, which although difficult to quantify have a very important bearing on the relative attractiveness of jobs. Like the Commission, it fully recognises the difficulties involved. Nonetheless it hopes that the Commission will study ways of tackling this important problem. Clearly the ideal would be a fully quantified method. But even if the Commission were to conclude after study that no precise basis of quantification could be found, the Government hopes that it would nevertheless be possible for the Commission to exercise its judgment so as to take full account of these important factors. The Government notes the Commission's doubt about arrangements for evaluating pensions. This is a matter which the Government is considering in relation to the Civil Service and its conclusions will be relevant to the work of the Commission.

Labour Supply

11. The Government welcomes the Commission's acknowledgement that

evidence on labour supply should be used to check the acceptability of the comparisons that emerge for its work. The Government believes that this is the minimum that must be done to ensure that comparability studies do not produce results unjustified by labour market considerations, and hopes that the Commission will seek to apply this check fully in its work on outstanding references.

Conclusion

12. The Government is convinced that, if the comparability approach is to be used properly, it must reflect the general principle of "comparable pay for comparable work in comparable conditions", and welcomes the Commission's efforts to put this principle into practice. In submitting this evidence the Government recognises that it is asking much of the Commission. Although the Commission has already drawn attention to many of the points made, it recognised, as does the Government, that taking account of relative efficiency, job security and labour supply raises difficult theoretical and practical issues. Nevertheless, the Government believes that the Commission must tackle these problems if its work is to have the full confidence of the general public. It is sure that the Commission is fully aware of this.

E1 OCT 1979



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Evan Pol.

MBM

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

25th September, 1979

Dear Sir,

STANDING COMMISSION ON PAY COMPARABILITY
GOVERNMENT EVIDENCE

.....
In fulfilment of the remit given to the Chancellor of the Exchequer by E Committee on 11th September, I now enclose the version of the Government Evidence to the Standing Commission on Pay Comparability finally approved by the Chancellor. This takes account of the comments we have received on the draft annexed to E(79)38. The Chancellor feels that the sooner the Government evidence is submitted, the better.

I am copying this letter to the Private Secretaries to the other members of E Committee, and Philip Hunter, Don Brereton, and Martin Vile.

Yours aw,

M.A.H.

M. A. HALL

I.A.W. Fair, Esq.,
PS/Secretary of State for Employment.

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STANDING COMMISSION ON PAY COMPARABILITY

GOVERNMENT EVIDENCE

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5. One more specific problem should be mentioned. As the Commission recognises, the use on this occasion of a 'trend line' and its basis in past pay relationships, is unsatisfactory, and was also due to pressure of time. The Government very much hopes that in future the Commission will find it possible to avoid doing so and to rely throughout on up-to-date comparisons. It accepts that this may entail the negotiation of substantial alterations in existing pay structures.

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26 SEP 1979





10 DOWNING STREET

From the Private Secretary

24 September 1979

Econ Policy VB
c.c. HO Ch.Sec.
FCO DHSC
DI Cab.Office
Ld.Pres.
DM
MAFF
DTrade
DN

Financing the Cost in 1979-80
of the First Clegg Reports

The Prime Minister has considered the Chancellor's minute of 21 September, and agrees with his proposals for offsetting the extra costs arising this year from the Clegg recommendations for the health service workers and for the local authority manuals.

I am sending a copy of this letter to the Private Secretaries to members of E Committee, the Secretary of State for Social Services, the Secretary of State for Scotland and to Martin Vile (Cabinet Office).

T. P. LANKESTER

A.M.W. Battishill, Esq.,
H.M. Treasury.

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VB



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

Prime Minister

PRIME MINISTER

Agree the Chancellor's proposals?

Yes sir.

TL
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FINANCING THE COST IN 1979-80
OF THE FIRST CLEGG REPORTS

Flng A 1

At our discussion in E Committee on 11 September - E(79)7th Meeting - I was asked to consult with the Secretary of State for Social Services about the precise arrangements for offsetting the extra costs arising this year from the Clegg recommendations in the National Health Service; and the Secretary of State for the Environment and other relevant Ministers about the most appropriate way of offsetting the cost of the award to the manuals.

2. On the National Health Service the Chief Secretary and I have discussed with the Secretary of State how much should be absorbed. The Secretary of State accepts fully that the inefficiencies and restrictive practices noted by Clegg should be taken into account and, more fundamentally, that the Service should take urgent steps to eradicate them as soon as possible. But he pointed out that, however energetically the matter is tackled, only comparatively small savings can be expected in the current financial year though he agreed that savings should begin to accrue during the last quarter. He is of the view that over and above the general squeeze exerted on health authorities this year (including the £24 million offset imposed by our predecessors) the most that can be looked for is £4 million, covering Great Britain as a whole, in the remainder of 1979-80. I appreciate that this sum



may not appear big, but in all the circumstances the Chief Secretary and I are satisfied that it represents a reasonable assessment of what can be done and will exert a useful discipline; we shall, however, expect full savings for the next financial year and will want to take these into account in settling the 1980-81 cash limit.

3. On the local authorities, the Secretary of State for the Environment feels that we should leave over the question of further abatement of the Rate Support Grant or alternative offsetting action until we consider the Increase Order in November. I am willing to accept this approach which is consistent with my statement in the Budget that the abatement of the Rate Support Grant would be determined in November before the increase orders are made. But if in the meantime our decision about the health authorities raises questions about the line we will be taking with the local authorities, we should say that we will similarly be expecting improvements in efficiency to be achieved by them.

4. The way is now clear for the Secretaries of State concerned to inform the relevant authorities about our decisions as they affect the health and education authorities. Since the amount to be found by the health authorities is relatively small and we have no final decision to announce at this stage about the local authorities, I suggest that we do not make a coordinated announcement but that each Secretary of State should make such announcement as he thinks necessary about the action being taken in his own field. If between now and the determination of the Rate Support Grant Increase Order questions are raised about our intentions on the local authorities we should take the line in my previous paragraph. I shall follow this line in my reply to the letter which the General Secretary of the TUC wrote to me asking about our policy on financing the Clegg awards. We will, of course,

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have to announce the adjustments to the cash limits to the House when it returns in October and we will have to consider later in the year what further adjustments we may need to make in response to the subsequent reports due from Clegg.

5. I am copying this minute to other members of E Committee, the Secretary of State for Social Services, the Secretary of State for Scotland and Sir John Hunt.

A handwritten signature in dark ink, appearing to be 'J.H.' or similar initials.

(G.H.)

21 September 1979

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21 SEP 1979



PART 2 begins:-

Ch of Ex to Pm 21.9.79

PART 1 ends:-

S of S Ind to Ch of Ex 19.9.79

