

PREM 19/1319

SECRET

Part 2

Confidential Filing

Nurses Pay

NATIONAL HEALTH

Clegg Commission Report on Nurses and Midwives pay

Part 1: October 1979

Part 2: February 1982

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
3-2-82		24.6.83		PREM 19/1319			
5-2-82		29.6.83					
24/3/82		19.7.83					
25-3-82		27.7.83					
31-3-82		25.7.83					
1-4-82		26.7.83					
10-6-82		5.8.83					
7.7.82		21.8.83					
11-9-82		8.12.83					
18.10.82		16.12.83					
2.10.82		21.12.83					
27.10.82		22.12.83					
3-11-82		21.2.84					
9.12.82		25.4.84					
15.7.82		1.5.84					
20-1-83							
14-2-83		25.4.84					
17-2-83		30.4.84					
18.2.84							
4-2-83							
28.3.83							
7-3-83							
25.4.83							
1.5.83							

At 26/2/83
X

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
E (PSP) (83) 1 st Meeting	25/01/1983
E (PSP) (83) 1	20/01/1983
CC (82) 52 nd Item 5	09/12/1982
E (PSP) (82) 22	26/10/1982
PSP (0) (82) 28	21/10/1982
PSP (0) (82) 27	18/10/1982
E (PSP) (82) 20	08/10/1982
CC (82) 35 th Item 5	24/06/1982
CC (82) 12 th Item 1	25/03/1982

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 

Date 27/09/2013

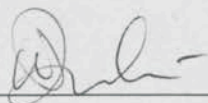
PREM Records Team

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.

House of Commons HANSARD, 9 November 1982, column 427 to 434: National Health Service (Pay Dispute)

Signed



Date

27/09/2016

PREM Records Team

F I L E

Ack. 30/4

R M

Miss A.V. COWIE

14/5

30 April, 1984

I enclose a copy of a letter the Prime Minister has received from Miss A.V. Cowie, Staff Side Secretary of the Nurses and Midwives Council.

I should be grateful if you could let us have a draft Private Secretary reply to send to Miss Cowie by Monday, 14 May.

(Timothy Flesher)

Miss E. Roberts

Department of Health and Social Security.

84



10 DOWNING STREET

THE PRIME MINISTER

30 April 1984

Dear Mr. Clay,

Thank you for your letter of 25 April and also for sending me a copy of the Royal College of Nursing's policy document. Ministers have received the recommendations of the Review Body on Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine. Ministers will be considering these recommendations shortly and will make known their response in due course. It will not, I regret, be possible to make this known in time for your College's Annual Congress.

Yours sincerely

Raymond Staiter

Trevor Clay, Esq.

Ack'd on 2/5

Confederation of Health Service Employees



*Glen House, High Street, Banstead, Surrey SM7 2LH
Telephone: Burgh Heath 53322. Telex: 944245*

Our Ref. DOW/HUMK/BH Your Ref.

*General Secretary:
D. O. Williams*

30 April 1984

Rt. Hon. Mrs. Margaret Thatcher, P.C., M.P.,
Prime Minister,
10 Downing Street,
London SW1.

2/5

Dear Prime Minister,

Pay Review Body for Nurses, Midwives, Health Visitors and
Professions Allied to Medicine

I am writing to express the concern of the professions that the recommendations of the Review Body have not yet been made public. It is reliably understood that the reports were delivered to you some time ago and there is now increasing concern as to the reasons behind the delay in publication.

Nurses and the professions allied to medicine are placing a great deal of trust in the Review Body mechanism as well as in the fact that there is an implicit commitment on the part of the government to play fair by them.

The professions will, needless to say, be extremely angry if the government, as reported today, acts to set aside or defer any part of the award. If such were to happen then members of these professions will be able to clearly demonstrate that they have been misled by your government.

Cont.

I shall be obliged for your assurance, as soon as possible,
that;

- a) the Report will be published forthwith, and
- b) that no part of any recommended award will
be deferred or set aside.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'D. O. Williams', with a long horizontal flourish extending to the right.

D. O. WILLIAMS
General Secretary

NURSES AND MIDWIVES COUNCIL

OF THE WHITLEY COUNCILS FOR THE HEALTH SERVICES (Gt. Britain)

Staff Side and Joint Secretary:
Miss A. V. COWIE

ROYAL COLLEGE OF NURSING OF
THE UNITED KINGDOM
HENRIETTA PLACE
LONDON W1M 0AB
Telephone: 01-~~636 8866~~ 491 4447

AVC/JBG

26th April, 1984

Dear Mrs. Thatcher,

R27

At its meeting on Tuesday, 24th April, 1984, the Staff Side of the Nurses and Midwives Council noted references in the professional journals and in the national press to the submission to you early in April of the Report of the Review Body for Nurses and Midwives and the Professions allied to medicine.

The Staff Side is conscious of the fact that the staff whom they represent have not received an increase in their pay since 23rd August, 1982, which, in turn, heightens their expectation of an increase in April of this year.

The Staff Side would therefore wish to learn when the publication of the Review Body's Report may be expected.

Yours sincerely,
A. Valerie Cowie

Miss A. V. Cowie
Staff Side Secretary

The Rt. Hon. Mrs. Margaret Thatcher, M.P.,
10 Downing Street,
London, S.W.1.

For Written Answer on 25 April.

File.

QUESTION: Mr. Frank Field (Birkenhead)

To ask the Prime Minister, if she has received the Review Body Report on Nurses Pay; and if implementation of its recommendations will allow the Government to remain within its cash limits of pay within the National Health Service.

ANSWER:

The Review Body on Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine has submitted its recommendations. Ministers will be considering them shortly and will announce their decisions in due course.

Her Majesty the Queen
Her Majesty Queen Elizabeth the Queen Mother
Her Royal Highness the Princess Margaret
Countess of Snowdon



20 Cavendish Square, London, W1M 0AB
Tel: (01) 409 3333
General Secretary: Trevor Clay, MPhil, SRN, RMN.

Royal College of Nursing
of the United Kingdom

TC/JMS/ps

25th April 1984

The Rt. Hon. Margaret Thatcher MP,
Prime Minister,
10 Downing Street,
London SW1.

Dear Prime Minister,

As you may be aware, next week members of the Royal College of Nursing will gather in Harrogate for the College's Annual Congress. This is the most important membership event of the year and, in its repercussions, is of the greatest significance to the nursing profession in the United Kingdom.

Many major issues will be discussed by the Rcn Representative Body but, the most sensitive will be that of nurses' pay. As matters stand at the moment, the debate will obviously reflect the frustration nurses feel at not being in possession of any information relating to the progress of their pay award for this year which should, in fact, be effective from the first day of this month.

I am sure I do not need to remind you that the Rcn welcomed wholeheartedly the establishment of a formal mechanism for the independent evaluation of nurses' pay. Having prepared a full memorandum of evidence within an extremely constricted timetable and having delivered it on time to the Pay Review Body, the Royal College of Nursing now awaits with keen anticipation the outcome of the recommendations of that body. The demands upon you and your Ministers, particularly at the present time, are certainly recognised, but I would urge upon you the importance of an early response to this first report of the Pay Review Body for Nursing and Midwifery Staff which, I understand, you have received.

I look forward to an early reply.

Yours sincerely,

Trevor Clay

Trevor Clay
General Secretary

FILE
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10 DOWNING STREET

From the Private Secretary

9 April 1984

Review Body for Nursing Staff, Midwives, Health Visitors
and Professions Allied to Medicine

The Review Body chaired by Sir John Greenborough has produced two reports on nursing staff, midwives and health visitors; and on professions allied to medicine. The Prime Minister has seen the reports and feels that before responding Ministers will need to consider the recommendations of the other Review Bodies which should be received before Easter. We will then arrange a meeting of the Ministers responsible for Review Body groups. I enclose a copy of the two reports and am also sending copies to David Peretz in the Treasury. I would be grateful if you would ensure that for the time being this report is shown only to the Secretary of State and the Chancellor and to their Permanent Secretaries. I am also copying this letter to Richard Hatfield (Cabinet Office).

Andrew Turnbull

Steve Godber, Esq.,
Department of Health and Social Security.

SECRET

11

PRIME MINISTER

REPORT OF THE REVIEW BODY FOR NURSING STAFF, MIDWIVES, HEALTH VISITORS AND PROFESSIONS ALLIED TO MEDICINE

Sir John Greenborough has sent copies of his two reports. The recommendations are troublesome in each case. Chapter 5 of the two reports provides a summary. The Body is recommending increases from 1 April 1984 in the range 6-8%, adding around 7½% to the pay bill. The argumentation of the reports is desperately thin. These figures are recommended although it is openly acknowledged that there are no problems in recruitment, retention or morale.

I think it unlikely that you or colleagues will want to take a view on these reports until the other three Review Bodies have arrived. This is expected to be in the week beginning 16 April.

Mr. Gregson has a copy of these reports - the rest are locked up in my care. I suggest a copy of each report is sent to the Secretary of State for Social Services and the Chancellor, with strict instructions that they should be shown only to their Permanent Secretaries. We should indicate that you will wish to see the other Review Bodies' reports before considering these.

Agree?

Yes no
AT

5 April 1984

SECRET



OFFICE OF MANPOWER ECONOMICS

22 KINGSWAY
LONDON WC2B 6JY

Telephone 01-405 5944 Ext 386

The Rt Hon Margaret Thatcher MP
10 Downing Street
London SW1

3 April 1984

Dear Prime Minister,

REVIEW BODY FOR NURSING STAFF, MIDWIVES, HEALTH
VISITORS AND PROFESSIONS ALLIED TO MEDICINE

I enclose the Review Body's first Reports on Nursing Staff, Midwives and Health Visitors and on the Professions Allied to Medicine. The Reports contain our recommendations on the levels of pay that we consider appropriate for these staff with effect from 1 April 1984.

Sincerely,

John Greenborough

SIR JOHN GREENBOROUGH
CHAIRMAN

NURSES PAY REVIEW BODY

Background that the Conservative candidate for Chesterfield had a public meeting with nurses on Thursday night. He gave the impression that the Government would accept the recommendations of the Nurses Review Body. Mr Fowler was questioned about this at the Friday morning press conference in Chesterfield. He said that the Government had set up a review body for nurses to recognise the fact that they did not take industrial action. However, he reiterated the point that the Government was not automatically bound to the Review Body's proposals any more than it was with any other Review Body. The position with the Nurses Review Body is that they have not yet made a report.

NB

NORMAN FOWLER'S OFFICE INSIST THAT THIS BE USED INSTEAD OF THE BRIEFING SENT OVER EARLIER

21 February 1984

SUBJECT
c. Master Set.



cc HMT
CO

10 DOWNING STREET

From the Private Secretary

22 December 1983

Dear Sir,

MEETING WITH SIR JOHN GREENBOROUGH

The Prime Minister thanked Sir John for taking on the task of chairing the Review Body for nurses and professions allied to medicine. Sir John said that as soon as he was appointed he had begun work researching the issue and following the appointment of the other members of the Body had held its first meeting. They were struck by the huge numbers of people involved, over half a million, and the size of the pay bill of over £3 billion. Even a pay settlement at 3% in line with the Government's pay assumption would cost £90 million. He was also aware of a potential knock-on effect to other parts of the Health Service, e.g. ancillaries. The body recognised that there could be no question of returning the groups in question to levels of pay enjoyed at high points in the past, e.g. after Halsbury and Clegg. Times had changed significantly; in 1974 there was a 20% shortage of nurses and other staff and in 1979 this was 10%. Currently it was thought that 15,000 nurses were unemployed. It was therefore important to take account of recruitment and retention of staff. He reported that the pay groups were currently rejecting job evaluation and factor analysis. In his view the Body should look at all ways of determining pay.

The Prime Minister said that the principle of comparability had done immense damage in the past. It had some relevance when there were shortages of staff, as in order to recruit, one had to look at the rates of pay offered by the competition. But comparability should be given much less importance when there was no problem with recruitment. Sir John felt that it could not be ignored altogether. The Prime Minister also impressed upon him that it was important to take account of what could be afforded; the interest of the taxpayer needed to be safeguarded. She also asked Sir John to bear in mind the way in which these large groups of workers were managed. Over the last five years the number of nurses had increased by around 50,000 and the number of doctors by about 4,000. Despite this, the impact on waiting lists had been very disappointing. She regarded this as evidence of the failure of management. She hoped that the Review Body would examine how nursing staff were managed in hospitals abroad, particularly in the United States.

Concluding the meeting, the Prime Minister wished Sir John and his team well in their demanding task.

CONFIDENTIAL

- 2 -

I am copying this letter to Margaret O'Mara (HM Treasury)
and Richard Hatfield (Cabinet Office).

Yours sincerely

Andrew Turnbull

Andrew Turnbull

S.A. Godber, Esq.,
Department of Health and Social Security.

CONFIDENTIAL



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

21 December 1983

S Godber Esq
Private Secretary to the Secretary of State
for Social Services
Department of Health and Social Security
Alexander Fleming House
Elephant and Castle
LONDON SE1 6BY

Dear Steve,

PRIME MINISTER'S MEETING WITH SIR JOHN GREENBOROUGH

We were surprised to see that the final version of the brief for the Prime Minister's meeting with Sir John Greenborough yesterday took no account of the most important of the suggestions we made on the earlier draft (my letter of 15 December).

As you will recall, we proposed a significant change in the way in which the Government's policy on the 3 per cent public sector pay assumption should be described. That is, of course, essentially Treasury business and if our amendment caused you difficulty, we should naturally have expected you to contact us. However, it was only when we saw the final version of the brief that we discovered the text had not been altered. Unfortunately, our copy did not reach the Treasury until after the meeting had taken place, so that we were not in a position to alert No 10 to the difference of view.

I am sending a copy of this letter to Andrew Turnbull together with a copy of my original letter.

Yours sincerely,

Margaret O'Mara

MISS M O'MARA



cc

CST
FST
MST
EST
Mr Middleton
Mr Bailey
Mr Anson
Mr Kemp
Mr Burgner
Miss Sinclair
Mr Watson
Mr Colman

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

15 December 1983

S Godber Esq
Private Secretary to the
Secretary of State for Social Services

Dear Sir

PRIME MINISTER'S MEETING WITH SIR JOHN GREENBOROUGH

As requested in Mr Benner's minute of 13 December to you, I am writing with our comments on the draft brief for the Prime Minister's meeting with Sir John Greenborough.

Handling brief

Paragraph 4.1

We suggest you reword the final two sentences as follows:

"The Review Body's function is to exercise independent judgement, but the Government hopes that the Review Body will take the 3 per cent assumption used for public expenditure plans as a firm indicator of what can be afforded."

Paragraph 4.2

We suggest you delete the words "but the Government ... the level of remuneration" from the last sentence.

Background note

Paragraph 5

We suggest that the final sentence should either be deleted or that the accusation should be answered.

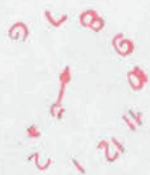
Yours sincerely,

Margaret O'Mara

MISS M O'MARA
Private Secretary

Nat. Health:

nurses pay
Pt 2



22 DEC 1985



10 DOWNING STREET

Prime Minister ④

Attached is a brief, cleared
with Cabinet Office and
Treasury.

Also attached is the
Chancellor's minute (as
Chairman of E(PSP) which
suggested you see Sir John.

AT

12/12

on TSRB
file



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

David Barclay Esq
Private Secretary
10 Downing Street
LONDON
SW1

16 December 1983

Dear David

PRIME MINISTER'S MEETING WITH SIR JOHN GREENBOROUGH -
20 DECEMBER

I attach a handling brief and background note which the
Prime Minister will wish to see before her meeting
with Sir John.

—
Yours sincerely

Mark Dexter

MARK DEXTER
Private Secretary

CONFIDENTIAL

PRIME MINISTER'S MEETING WITH SIR JOHN GREENBOROUGH ON 20 DECEMBER 1983

HANDLING BRIEF

1. A background note is attached.
2. At the outset the Prime Minister might like to make the following points:-
 1. Appreciation of Sir John's decision to take on this important and demanding role (he thought long and hard before accepting), and of the way in which he got things under way while waiting for remaining membership.
 2. Recognition of his public statements as to what could realistically be achieved by April 1984 (paragraph 4 of background note).
 3. Review Body is of course independent and joining a select panel of existing Bodies. It will, however, need to reach judgements between the natural aspirations of staff and the wider interests of the NHS and the economy generally. Its recommendations will inevitably excite considerable interest well beyond those directly concerned.
3. Sir John will no doubt wish to say how the Review Body has settled down and how he sees them going about their work both as to the April 1984 report and beyond.
4. During the course of the discussion the following additional points might be stressed:-
 1. The Government will of course submit evidence through the Health Departments. This will certainly cover the question of affordability, and evidence on this is likely to be similar to that given to other Review Bodies. The Review Body's function is to exercise independent judgement, and the Government naturally does not expect it simply to use the 3 per cent guideline for the public sector as an automatic norm. It does however rely on the Review Body to take the guideline as a firm, though broad, indicator of what is desirable on national economic grounds, and to depart from it only if fully convinced of the validity of the grounds for doing so.
 2. Evidence will certainly be submitted also on recruitment and retention of these staff groups. The numbers employed in nursing in the NHS have risen substantially in recent years, as have the numbers overall in the allied professions. Applicants for training places far exceed numbers available. Wastage during training has fallen. These are important market

considerations which the Review Body will wish to take into account; but the Government of course recognises that the continuance of these trends will be influenced by, amongst other things, the level of remuneration.

3. It goes without saying that the Government would expect the Review Body not simply to seek to reinstate the professions at the most favourable historical wage levels, but to look afresh at the question of acceptable pay levels, in the light of the training, qualifications, working conditions and advantages, such as job security, enjoyed by these groups, and against the overall background of present day policies and economic realities. The professions are likely to press for the restoration of the very favourable relative levels of pay which they enjoyed after the Halsbury review in 1974. The Government does not accept the validity of an approach to pay determination which is based solely or mainly on comparability - still less one based on historical comparisons which may well now be out-dated and which might lead to a completely unjustified "catching up" increase.

4. The Government's commitment on implementation of recommendations is the same as for other Review Bodies: they will be implemented unless there are clear and compelling reasons not to do so. This makes it all the more important that the Review Body should give full weight to national economic and financial considerations.

5. The outcome of the Prime Minister's meeting with Sir Robert Clark earlier this year was an exchange of correspondence; that however arose specifically from the discussion, and in the different circumstances the Prime Minister may judge it sufficient to rest solely on the conversation with Sir John Greenborough.

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DRAFT BRIEF FOR PRIME MINISTER'S MEETING WITH SIR JOHN GREENBOROUGH ON 20 DECEMBER 1983

BACKGROUND NOTE

The meeting with Sir John Greenborough can, and should, be represented as a natural occasion for meeting informally the chairman of a new body which reports direct to the Prime Minister. It should also be seen, in the light of the meeting with Sir Robert Clark, Chairman of the DDRB and E(PSP)'s recent consideration (E(PSP)(83) 5th minutes) of Review Body recommendations generally, as an occasion to get over in an acceptable way the importance the Government attaches to realistic recommendations.

APPOINTMENTS AND MEMBERSHIP

2. Sir John was appointed in September and 6 further members were appointed in November. Their names and brief curriculum vitae are at Annex A. One member remains to be appointed. A submission with a number of names from an industrialist background is in preparation. The Terms of Reference are contained in the Press Notice at Annex B.

PROGRESS TO DATE

3. Indications to date are that the Review Body, and Sir John, have started well. The Review Body was scheduled to hold its second meeting on 19 December, when it will meet in turn representatives of the Professions Allied to Medicine and the DHSS to discuss the ground to be covered in the April 1984 review. The Nurses' representatives were not free to be seen that day but will be seen early in the New Year.

4. Sir John Greenborough has said publicly that the Review Body cannot be expected to complete a full review of all the issues by April 1984, and he is expected to take the view that the first review should do no more than mark time on basic pay levels, while offering some pointers to the ground to be covered in the next report. The Review Body's terms of reference do not preclude a report in the middle of 1984-85, but the signs are that they accept that their next Report will not be until April 1985, and that they will be planning a programme of more detailed work accordingly.

CONFIDENTIAL

5. Staff representatives have made some predictable complaints about Sir John's remarks, although privately they recognise that, even had the Review Body been in existence much earlier, it could not have conducted a thorough review by April 1984. Staff Sides have also suggested that the appointments were deliberately delayed to ensure that the Review Body could not report definitively by April 1984. This of course is not the case. The Government has always been anxious that there should be a report in April 1984.

EVIDENCE TO DATE

6. The Health Departments have already put in detailed background evidence on the structure, organisation and numbers in the professions. No doubt in the light of the expected attitude of the professions, the Review Body Secretariat have from an early stage shown an interest in historical pay comparisons. In response a note has been put in stressing the limitations of this kind of analysis. Both Staff Sides will probably attempt to steer the Review Body in favour of reinstalling equivalent pay levels to those following the 1974 Halsbury Report (the highwater mark for both sets of professions), and the Departments will need to counteract this pressure. A note had been prepared and will be submitted in due course. Neither Staff Side [has yet] submitted any written evidence.

7. The Review Body has given notice that, at the meeting on 19 December, they intend to identify the areas which they wish to see covered in written and oral evidence this year.

Miss Beryl Cooper QC is 56 and has been a Recorder since 1977. She was an administrator at the Royal Free Hospital from 1951-57 and served on the Lambeth, Southwark and Lewisham Area Health Authority from 1980-82. She was a founder member of the Bow Group and is a member of the Executive Committee of the Society of Conservative Lawyers. She has served as a member of the Committee on Criminal Statistics and of the Housing Corporation and is currently a member of the Criminal Injuries Compensation Board.

Mrs Suzett Harold is 43, and is non-executive chairman of MCC Mackenzie Computer Co and a director of Davy Computing Ltd. She was an Oxford City Councillor from 1965-71 and Conservative Candidate for Greenwich in 1974.

Sir John Herbecq, KCB, is 61 and retired from his post as Second Permanent Secretary at the Civil Service Department in 1981. He is a Church Commissioner.

Principal Graham Hills is 56, and has been Principal of Strathclyde University since 1980. A graduate of London University (Birkbeck College) his background is in physical chemistry. He is a Director of Glasgow Chamber of Commerce and he recently was a member of a trade mission to the USA.

Mrs Jennifer Hughes is 56 and is Group Industrial Relations Director, MacMillan Publications. She has been a member of the Armed Forces Review Body since July 1982 and a non-executive director of the Prison Board since 1980.

Professor George Thomason is 56, and has been Professor of Industrial Relations at Cardiff University since 1969, and a member of the Review Body on Doctors' and Dentists' Remuneration since 1979. He is an academic with wide experience in various fields of education.

PRESS
RELEASE

Telephone 01-407 5522

83/146

27 July 1983

NEW PAY REVIEW BODY ESTABLISHED FOR NURSES AND OTHER NHS PROFESSIONS

The Government today announced the establishment of a new independent Review Body to advise on the pay of nursing and midwifery staff, and the professions allied to medicine such as physiotherapists and radiographers. The Prime Minister set out the terms of reference in a reply (attached) to a written Parliamentary Question from Sir Hugh Rossi, MP for Hornsey and Wood Green.

Norman Fowler, Secretary of State for Social Services, said "This marks a major step forward for industrial relations in the National Health Service. The new Review Body offers for the first time a stable system of pay determination for these major groups of health service staff. Under the new arrangements nurses, midwives, health visitors and the professions allied to medicine will, like the doctors and dentists, have their own independent Body to advise the Prime Minister on pay levels. This should avoid past difficulties which were resolved at intervals of four or five years only by setting up special ad hoc inquiries into their pay. I am sure that the staff will welcome this new system and will cooperate fully with it".

Sir Hugh Rossi (Hornsey and Wood Green)

To ask the Prime Minister what progress is being made with the establishment of a Review Body for Nurses, Midwives, Health Visitors and the Professions Allied to Medicine.

Prime Minister

The Government have completed consideration of the response to the consultative document issued by my Rt Hon Friend the Secretary of State for Social Services on 22 February and will be establishing the Review Body without delay. Its terms of reference will be:-

"To advise the Prime Minister on the remuneration, with effect from 1 April 1984, and subsequently, of

- i. Nursing staff, Midwives and Health Visitors employed in the National Health Service;
- ii. Physiotherapists, Radiographers, Remedial Gymnasts, Occupational Therapists, Orthoptists, Chiropodists, Dietitians, and related grades employed in the National Health Service".

The names of the Chairman and members will be announced as soon as possible.

The Review Body will be independent and free to determine its own method of working and to take evidence from interested parties. The secretariat will be provided by the Office of Manpower Economics.

The Government will, as proposed in the consultative document, submit evidence on economic and financial considerations, and on such factors as recruitment, retention and motivation of the staff concerned.

The establishment of a Review Body for these groups recognises their special position within the National Health Service and in particular

the fact that the great majority of staff in these groups have not engaged in industrial action. Accordingly the Government must reserve the right to exclude from the scope of the Review Body recommendations any groups that do resort to industrial action.

In fulfilment of our commitment to provide new pay arrangements for all nursing staff, the Review Body will deal with the remuneration of both qualified and unqualified nursing staff, but it will be asked to deal separately with these groups. The nursing and allied professions expressed concern about being combined in a single Review Body. The Government is satisfied that a single Review Body is appropriate but it will be asked to provide separate reports on the nursing staff and on the allied professions. Some other groups of professions sought inclusion in the Review Body arrangements but we have not thought it right to go beyond the groups outlined. The speech therapy profession, at its own request, will not be included.

The Government have decided that the Health Departments should assume responsibility for negotiating changes in terms and conditions of service with the Staff Sides of the groups covered by the Review Body and for keeping it fully informed of any agreed or proposed changes in terms and conditions of service. The Department will look to NHS management for advice and assistance on such negotiations. No change is envisaged in the composition of the Staff Sides. There will no longer be any need for the Nurses and Midwives or the Professional and Technical 'A' Whitley Councils. The Health Departments in consultation with NHS management and staff interests will take the lead in devising new negotiating arrangements for speech therapists and other staff groups on the PT'A' Council who are not included in the Review Body arrangements.



10 DOWNING STREET

THE PRIME MINISTER

8 December 1983

Dear Mr. Clay

Thank you for your letter of 17 November about the Review Body for Nursing and Midwifery staff and the professions allied to medicine.

I welcome the nursing profession's appreciation of the establishment of the Review Body, which demonstrates our recognition of the special position of nursing and midwifery staff within the National Health Service. As you will know, the Government has now announced the names of six members of the Review Body, which is to be chaired by Sir John Greenborough. One further member will be appointed in due course. The Review Body's terms of reference include a commitment for it to advise on pay levels as from 1 April 1984 and subsequently.

Yours sincerely
Margaret Thatcher

T. Clay, Esq.

cc DTSS

JG

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CONFIDENTIAL

MR. TURNBULL

*Mr Owen: The PM has already agreed
the line proposed by the GPs (see
my letter attached). We agreed that
it was cc Mr. Mount
therefore too late to put this to the PM
DWB
4/12*

NO STRIKE PLEDGE: ADDITIONS TO THE NURSES REVIEW BODY

Mr. Fowler is looking for a steer on how to respond to the Association of Clinical Biochemists' bid for inclusion in the Nurses Review Body, when it has had time to make its first report.

The proposal raises a wider issue than the appropriate treatment of clinical biochemists: does the Government wish to extend review body treatment to those professional groups in the public service as a reward for pledging not to strike? Groups such as clinical biochemists do not as a rule tend to strike, or threaten to strike. Why, then, should the Government take a step which could multiply the number of review bodies in return for very little?

More specific to the health service, the inclusion of clinical biochemists could lead to similar bids from physicists, speech therapist and medical laboratory scientific officers. Chaplains and senior administrators could conceivably make a claim, too. It is difficult to see how the Nurses Review Body could cope with the diversity of these groups: it will already have to deal with two distinct groups, trained staff and auxiliaries. The structure of the review body might need to be changed if it were to cope. There is also a difficulty in that whereas the biochemists seem prepared to offer pledges not to strike, the COHSE nurses have not been asked to do so, since it was not expected that they would agree. The Government merely made the condition that the continued existence of the review body would depend on no-strike behaviour. The Government might find it that much more difficult to withdraw, or threaten to withdraw the review body in the event of a COHSE nurses strike if it included a substantial number of groups, such as the biochemists, which had pledged not to strike.

My inclination is to suggest that in his reply to the clinical biochemists, Mr. Fowler should play it as long as possible and avoid any commitment whatever to according review body treatment to them.

N.O.
NICHOLAS OWEN
8 December 1983

CONFIDENTIAL

CONFIDENTIAL

✓



10 DOWNING STREET

From the Private Secretary

8 December 1983

c. E(PSP)
HMT
HO
DES
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D/TSPRT
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CO

No Strike Pledge : Additions to the Review
Body

The Prime Minister was grateful for your Secretary of State's minute of 6 December about the bid by the Association of Clinical Biochemists for inclusion in the terms of reference of the nurses Review Body.

The Prime Minister agrees with the line proposed by your Secretary of State in the penultimate paragraph of his minute.

I am sending copies of this letter to the Private Secretaries to the recipients of yours.

MR. D. BARCLAY

S.A. Godber, Esq.,
Department of Health and Social Security,

CONFIDENTIAL

✓

PRIME MINISTER

Prime MinisterAgree line proposed
at X?JMS
7/12

NO STRIKE PLEDGE: ADDITIONS TO THE REVIEW BODY

The Association of Clinical Biochemists has made a determined bid for inclusion in the terms of reference of the new Review Body for nursing and midwifery staff and professions allied to medicine. They have picked up in particular your remarks in the House of 28 July in answer to a question from Dr Owen that "Should other unions come to us and say that they wish to have that type of agreement (ie a no strike agreement), we would of course consider it".

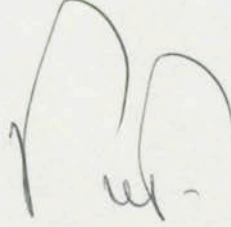
It is clear that, for practical reasons, we could not meet the Association's wishes in relation to the review now beginning, because the new Review Body is going to find it difficult enough to complete by next April its review of the staff groups already within its purview without any additions being made. I think, however, that we should now decide whether thereafter we should accede to the Association's request.

I can see substantial advantages in doing so. Any staff organisation which is prepared to give a no-strike pledge deserves recognition. But we must bear in mind that there will be a number of staff groups which might make the same case as the biochemists - there are three or four within the NHS, and there could well be others elsewhere. Our decision on these matters will determine whether I send an encouraging or a negative reply to the Association of Biochemists.

X | My own view is that we should say we see merit in their case, but that there is no possibility of acting on it for 1983/84. We would undertake to consider it further when the Review Body has had time to make its first report. I should be grateful though to know whether you would prefer the matter to be handled differently.

E. R.

I am sending copies of this minute to the Chancellor of the Exchequer, the Secretaries of State for Scotland, Wales and Northern Ireland, Members of E(PSP) and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'NF', is written above the typed initials 'NF'.

6 December 1983

N F

CONQUEROR

144
CORRECTION
- 6 DEC 1983





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

PO 4715/266

David Barclay Esq
 Private Secretary
 10 Downing Street
 London SW1

Dear David

GR

Pre type fw

PM's sig.

6.12.83

D
7/12

Thank you for your letter of 17 November enclosing one from Mr T Clay, General Secretary of the Royal College of Nursing.

I enclose a draft reply for the Prime Minister's signature.

Yours

TIM YOUNG
 Ministerial Correspondence

PO4715/266

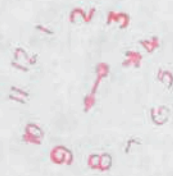
T Clay Esq

Thank you for your letter of 17 November about the Review Body for Nursing and Midwifery staff and the professions allied to medicine.

I welcome the nursing profession's ^{appreciation} application of the establishment of the Review Body, which demonstrates our recognition of the special position of nursing and midwifery staff within the NHS. As you will know, the Government has now announced the names of six members of the Review Body, which is to be chaired by Sir John Greenborough. One further member will be appointed in due course. The Review Body's terms of reference include a commitment for it to advise on pay levels as from 1 April 1984 and subsequently.

Nat Health : Nurses Reg
Pt 2,

6 DEC 1983



Nurses Pay

CONFIDENTIAL

RW7



FILE

10 DOWNING STREET

From the Private Secretary

24 November, 1983

NURSES' REVIEW BODY

As you will know from Andrew Turnbull's letter of 31 October to John Kerr, the Prime Minister has agreed to see the Chairman of the Nurses' Review Body. We have now arranged a meeting with Sir John Greenborough for 1000 hrs on Tuesday, 20 December.

DA
I should be grateful if you could provide a brief for the Prime Minister, in consultation with the Treasury and the Cabinet Office. Could this please reach us by Friday, 16 December.

I am sending a copy of this letter to John Kerr (HM Treasury) and Richard Hatfield (Cabinet Office).

(David Barclay)

S. Godber, Esq.,
Department of Health and Social Security



FIVE ACK 17/11 R07

10 DOWNING STREET

From the Private Secretary

17 November, 1983

I enclose a copy of a letter the Prime Minister has received from the General Secretary of the Royal College of Nursing.

B/F | I should be grateful if you could let me have a draft reply for the Prime Minister's signature to reach me here by Thursday, 1 December.

(David Barclay)

T. Young, Esq.,
Department of Health and Social Security

CT

Patrons: Her Majesty the Queen
Her Majesty Queen Elizabeth the Queen Mother
Her Royal Highness the Princess Margaret
Countess of Snowdon



20 Cavendish Square, London, W1M 0AB
Tel: (01) 409 3333
General Secretary: Trevor Clay, MPhil, SRN, RMN.

CE NO

Royal College of Nursing
of the United Kingdom

TC/JMS/ps

17th November 1983

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London.
SW1

TV (DMS) PM

Dear Prime Minister,

Review Body for Nurses, Midwives, Health Visitors
and the Professions allied to Medicine

At its first meeting today the newly-elected Council of the Royal College of Nursing discussed the situation in respect of the Nurses and Midwives Review Body and expressed its deep anxiety that no announcement had yet been made concerning the membership of this body.

When representatives of this organisation met with you on 29th June, it was made very clear to you and your Ministers that the nursing profession believed that there were potentially very interesting opportunities to be derived from the setting up of such a review body and, therefore, that very many hopes were being pinned on it. Additionally, mention was made of the eager anticipation with which the establishment of the Review Body was awaited. The Rcn was encouraged by your understanding of the situation, and by your awareness of the importance which the nursing profession attached to this significant development.

My Council was, therefore, both dismayed and disappointed that no news had yet been received about the membership of the Review Body despite the fact that it was understood that names of potential members had been submitted to you some time ago. I do not think I need remind you that it is now over a year since your Government indicated its intention to set up a review body for the nursing profession, eight months later the decision was made to establish the review body and two months after that Sir John Greenborough was appointed Chairman. There


continued ...

The Rt. Hon. Margaret Thatcher, M.P.

17th November 1983

are now only just over four months left before any recommendations concerning nurses' pay should become effective, little enough time for the Review Body properly to do its work even were it already operative.

The $\frac{1}{2}$ million members of the nursing profession in the United Kingdom have shown extreme patience in this matter and, on their behalf, my Council would request that you take immediate action to appoint the full membership so that the Review Body itself can commence its important task.

Yours sincerely


Trevor Clay,
General Secretary

NAT HEALTH: Nurses Pay
P₂



17 NOV 1983

CONFIDENTIAL

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file

cc: TO
DOK
DHSS
Ch. Sec. HM IT
CDL
Emp.
LCO
MOD
SO
CO

10 DOWNING STREET

From the Private Secretary

31 October 1983

Dear John.

PAY REVIEW BODIES

The Prime Minister has seen the Chancellor's minute of 27 October reporting on the outcome of the meeting of E(PSP). She agrees with his recommendations that the most useful action would be to improve the evidence which the Government puts to Pay Review Bodies as a way of putting less weight on comparability; and that the terms of reference of these Bodies should not be altered. She is willing to see the Chairman of the Nurses' Review Body, in the way that she saw the Chairman of the Doctors' and Dentists' Review Body. She has noted the recommendation that meetings with the Chairmen of the other Review Bodies would not be helpful at present.

I am sending copies of this letter to the Private Secretaries to the members of E(PSP), David Staff (Lord Chancellor's Office), Richard Mottram (Ministry of Defence), John Graham (Scottish Office) and Richard Hatfield (Cabinet Office).

Yours sincerely
Andrew Turnbull

ANDREW TURNBULL

John Kerr Esq
HM Treasury

CONFIDENTIAL

Lee

Susan

Willie, He has, and I have
written to Colin Phillips

The papers are with
Appts. You had better
REVIEW BODY NURSES' PAY

obtain a copy.
requested in June WM 24/8

Am I right in thinking

that Sir John Hedley

Greenborough is going to
contact you with his

decision re Chairmanship?

If so, has he done so?

Susan

24.8.



cc Willie Rickett (No 10)

DF 22/8

DEPARTMENT OF HEALTH & SOCIAL SECURITY

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

Telephone 01-407 5522 ext 6981

From the Permanent Secretary

Sir Kenneth Stowe KCB CVO

Sir John Hedley Greenborough,
30 Burghley House,
Oakfield,
Somerset Road,
Wimbledon Common,
London SW19 5JB

5 August, 1983

My dear John.

As promised, I am enclosing some papers which fill in the background to the establishment of the new Review Body for nurses and the professions ancillary to medicine.

We have for many years had problems over handling the pay of these staff groups, mainly because the NHS is a monopoly employer and there has been no reliable basis for pay determination (for example, market rates for similar staff outside the NHS). This Government came to office in 1979 with a commitment to try to find a satisfactory system; but not much progress had been made by the time of the prolonged industrial trouble which affected the NHS last year. As the first of the enclosures (item 1) shows, the dispute was ended by an agreement which dealt with pay levels in the short term and improved pay determination arrangements in the longer run; and one element in the agreement was a decision in principle to establish a new Review Body for nurses and the professions ancillary to medicine.

At that stage, we did not attempt to produce the small print showing exactly how it would work. Proposals about this were developed and embodied in the consultative document - copy enclosed (item 2) - which was sent to interested parties earlier this year. A good many comments were received, and the Government's decisions were announced by the Prime Minister at the end of July in a written Parliamentary reply, copy enclosed (item 3).

The Review Body will be a very important piece of machinery, partly because of the nature and size of the professions with which it will be concerned (more than 40% of all NHS staff are nurses) and partly because the Government see as a very significant policy development the establishment of this type of special arrangement for

Contd....

E. R.

handling the pay of a group of staff most of whose members (i.e those who belong to the Royal College of Nursing and one or two other professional organisations) have as a matter of principle renounced the use of industrial action. I say this in order to underline that the time the Chairmen devotes to this work will, from the point of view of public service, be time very well spent. The demands on time will not I hope be excessive - perhaps 1 or 2 days a week on average during the 3 or 4 months preceding completion of the Review Body's report (which is due at the beginning of April.)

I have reported to No. 10 how we have left matters and the Prime Minister will, of course, be told. I have said that you will ring in there when you are back from holiday on Tuesday 23 August (and when I and Robert Armstrong will each be away). Would you be so good as to ring 01 930-4433 and ask for Willie Rickett or Tim Flesher who will be the Private Secretary on duty then?

I am grateful - and I know Norman Fowler and the Prime Minister will be too - that you have agreed to consider taking on this task. It really is important and, with the principle established that the Review Body is linked with the renunciation of industrial action, it could I believe serve the whole community well.

Love
Ken

Your
Ken

Ken

P.S. And I hope you will have a good holiday!

CONSULTATION DOCUMENT: REVIEW BODY FOR NURSING AND MIDWIFERY STAFF AND PROFESSIONS ALLIED TO MEDICINE

1. In a statement in the House of Commons on 9 November 1982, the Secretary of State for Social Services announced that the Government proposed the establishment of a review body which would have the task of making recommendations about the pay of nurses, midwives and health visitors and the professions allied to medicine, and that consultations with interested bodies would shortly be undertaken on the detailed arrangements.
2. The Government proposes that the new review body should follow the same general pattern as the Doctors and Dentists Review Body. It may therefore be helpful to recall that the Royal Commission on Doctors and Dentists Remuneration which reported in 1960 identified three broad objectives: to avoid disputes over the remuneration of doctors and dentists; to provide an assurance to the staff concerned that their pay would be determined on a fair basis; and to provide fair treatment for the taxpayer. In order to achieve them, it recommended the establishment of a Doctors and Dentists Review Body. This is an independent body, which reports to the Prime Minister. Its secretariat is provided by the Office of Manpower Economics. The Review Body is free to determine its own method of working, obtain any information it requires and take evidence from interested parties. The Government has given an assurance that its recommendations will be accepted unless there are clear and compelling reasons for not doing so.
3. There are three important aspects of the Government's proposals relating to the establishment of the new review body on which interested organisations may wish to express views. These are: its composition and membership; the staff to be covered by its remit; and the terms of reference. Further details are given below. The Government is anxious that the review body should be established as quickly as possible so that it may have sufficient time to carry out the necessary groundwork prior to the submission of its first report in April 1984. Comments are therefore requested within 6 weeks of the date of the covering letter and should be sent to John H James, Room 77 Hannibal House, Elephant and Castle, London SE1 6TE. A list of the bodies to whom the consultative document has been sent is in the appendix to this paper.

Composition and Membership

4. It is proposed that the review body should have a chairman and a maximum of seven other members, who would be appointed by the Prime Minister. The intention is that the review body should have some common membership with the Doctors and Dentists Review Body and the Armed Forces Pay Review Body.
5. Members of the review body would be appointed for their individual qualities. They should be completely independent, and none should be members of, or closely connected with, the professions whose pay is being reviewed. It is proposed that members should generally serve for a period of four years but may be reappointed for further terms.

Coverage

6. It is proposed that the review body should make recommendations about the pay of all qualified and unqualified staff whose pay and conditions of service are currently negotiated by the Nurses and Midwives Whitley Council and the full Professional and Technical 'A' Council. This approach would maintain the long-standing association between these groups in respect of their pay determination arrangements. The pay of groups currently negotiated in the wholly autonomous Sub-Committees 'A' and 'E' of the PTA Council would continue to be negotiated in the existing or an amended Whitley framework.

7. The review body would deal only with the remuneration of the groups concerned, leaving their terms and conditions of service to be negotiated elsewhere. Because of the important links between pay and terms of service, however, it would be necessary to make arrangements, similar to those which apply in relation to the Doctors and Dentists Review Body, for the review body to be kept fully informed of agreed or prospective changes in the terms of service, so that it could have an opportunity, if appropriate, to express a view to the negotiators about the changes proposed in respect of their implications for pay. The Government proposes that the Department should be responsible for negotiating changes in the terms of service with staff interests and jointly with those interests, for keeping the review body informed. In exercising these functions the Department would look for advice to NHS management.

Terms of Reference

8. The following terms of reference are proposed:-

"To advise the Prime Minister on the remuneration, with effect from 1 April 1984, and subsequently, of:

i. Nursing Staff, Midwives and Health Visitors employed in the National Health Service;

ii. Physiotherapists, Radiographers, Remedial Gymnasts, Occupational Therapists, Orthoptists, Chiropodists, Dietitians, Speech Therapists, and related grades employed in the National Health Service."

9. The Government will look to the review body to give due weight to economic and financial considerations, as well as to the recruitment, retention and motivation of the staff concerned, and will submit evidence to them on these matters.

APPENDIX

LIST OF BODIES TO WHOM THE CONSULTATION DOCUMENT HAS BEEN SENT

Association of Hospital and Residential Care Officers
Association of Nurse Administrators
Association of Supervisory Midwives
Confederation of Health and Service Employees
General and Municipal Workers Union (MATSA)
Health Visitors Association
National and Local Government Officers Association
National Union of Public Employees
Royal College of Midwives
Royal College of Nursing
Scottish Association of Nurse Administrators
Scottish Health Visitors Association

Association of Clinical Biochemists
Association of Scientific, Technical and Managerial Staff
British Association of Occupational Therapists
British Dietetic Association
British Orthoptic Society
Chartered Society of Physiotherapy
College of Speech Therapists
Federation of Professional Organisations
Hospital Physicists' Association
Society of Chiropodists
Society of Radiographers
Society of Remedial Gymnasts

Regional Health Authority Chairmen and Regional Administrators, Medical Officers,
Nursing Officers and Treasurers,
Chairmen of Boards and Authorities in Scotland and Wales
Nurses and Midwives Whitley Council Management and Staff Side Chairmen & Secretary
Professional and Technical (A) Council Management and Staff Side Chairman &
Secretary
National Association of Health Authorities in England and Wales
Confederation of British Industry
TUC Health Services Committee
Scottish TUC

For Information

Association of County Councils
Association of Municipal Authorities
British Dental Association
British Medical Association
General Whitley Council
Convention of Scottish Local Authorities

PRESS RELEASE

Alexander Fleming House
Elephant and Castle
London SE1 6BY

Telephone 01-407 5522

83/146

27 July 1983

NEW PAY REVIEW BODY ESTABLISHED FOR NURSES AND OTHER NHS PROFESSIONS

The Government today announced the establishment of a new independent Review Body to advise on the pay of nursing and midwifery staff, and the professions allied to medicine such as physiotherapists and radiographers. The Prime Minister set out the terms of reference in a reply (attached) to a written Parliamentary Question from Sir Hugh Rossi, MP for Hornsey and Wood Green.

Norman Fowler, Secretary of State for Social Services, said "This marks a major step forward for industrial relations in the National Health Service. The new Review Body offers for the first time a stable system of pay determination for these major groups of health service staff. Under the new arrangements nurses, midwives, health visitors and the professions allied to medicine will, like the doctors and dentists, have their own independent Body to advise the Prime Minister on pay levels. This should avoid past difficulties which were resolved at intervals of four or five years only by setting up special ad hoc inquiries into their pay. I am sure that the staff will welcome this new system and will cooperate fully with it".

Sir Hugh Rossi (Hornsey and Wood Green)

To ask the Prime Minister what progress is being made with the establishment of a Review Body for Nurses, Midwives, Health Visitors and the Professions Allied to Medicine.

Prime Minister

The Government have completed consideration of the response to the consultative document issued by my Rt Hon Friend the Secretary of State for Social Services on 22 February and will be establishing the Review Body without delay. Its terms of reference will be:-

"To advise the Prime Minister on the remuneration, with effect from 1 April 1984, and subsequently, of

- i. Nursing staff, Midwives and Health Visitors employed in the National Health Service;
- ii. Physiotherapists, Radiographers, Remedial Gymnasts, Occupational Therapists, Orthoptists, Chiropodists, Dietitians, and related grades employed in the National Health Service".

The names of the Chairman and members will be announced as soon as possible.

The Review Body will be independent and free to determine its own method of working and to take evidence from interested parties. The secretariat will be provided by the Office of Manpower Economics.

The Government will, as proposed in the consultative document, submit evidence on economic and financial considerations, and on such factors as recruitment, retention and motivation of the staff concerned.

The establishment of a Review Body for these groups recognises their special position within the National Health Service and in particular

the fact that the great majority of staff in these groups have not engaged in industrial action. Accordingly the Government must reserve the right to exclude from the scope of the Review Body recommendations any groups that do resort to industrial action.

In fulfilment of our commitment to provide new pay arrangements for all nursing staff, the Review Body will deal with the remuneration of both qualified and unqualified nursing staff, but it will be asked to deal separately with these groups. The nursing and allied professions expressed concern about being combined in a single Review Body. The Government is satisfied that a single Review Body is appropriate but it will be asked to provide separate reports on the nursing staff and on the allied professions. Some other groups of professions sought inclusion in the Review Body arrangements but we have not thought it right to go beyond the groups outlined. The speech therapy profession, at its own request, will not be included.

The Government have decided that the Health Departments should assume responsibility for negotiating changes in terms and conditions of service with the Staff Sides of the groups covered by the Review Body and for keeping it fully informed of any agreed or proposed changes in terms and conditions of service. The Department will look to NHS management for advice and assistance on such negotiations. No change is envisaged in the composition of the Staff Sides. There will no longer be any need for the Nurses and Midwives or the Professional and Technical 'A' Whitley Councils. The Health Departments in consultation with NHS management and staff interests will take the lead in devising new negotiating arrangements for speech therapists and other staff groups on the PT'A' Council who are not included in the Review Body arrangements.

NHS
Nurses Pay

Dr. Owen: The Prime Minister made an important statement yesterday about the National Health Service. Can she explain why more than the million or more people who work in the National Health Service should not have the opportunity to negotiate a no-strike agreement in exchange for a fair method of assessing their pay, so that they do not fall behind? Does the Prime Minister agree that if this issue were put to a ballot, the vast majority of Health Service workers would support it and the Health Service would thereby not have the disruption from which it has suffered severely in the past few years?

The Prime Minister: As the right hon. Gentleman is aware, we are most anxious that there should not be industrial action in the National Health Service. I have been very very firm in condemning all such action.

With regard to the review body, my right hon. Friend the Secretary of State for Social Services, as far back as November last year when we were discussing this review body, for which the nurses had asked some time ago, made this point:

"The new review body recognises the special position of nurses and other professional groups who do not take industrial action and on whom we have relied heavily in the last six months . . . The fact that these groups do not take industrial action has now been adequately recognised." — [*Official Report*, 9 November 1982; Vol. 31, c. 429.]

Should other unions come to us and say that they wish to have that type of agreement, we would of course consider it. No union other than the Royal College of Nursing has ever approached us, nor have other unions received the review body on nurses with acclamation.

Q2. Mr. Andrew MacKay asked the Prime Minister if she will list her official engagements for 28 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. MacKay: Has my right hon. Friend noticed that, in addition to the Royal College of Nursing strongly supporting the Government's decision to set up this independent review body, with a no-strike clause, the overwhelming majority of patients in this country consider that, as we live in a civilised society, it is an absolute obscenity that many patients' lives should be put at risk because of possible industrial action in the Health Service?

The Prime Minister: I agree with my hon. Friend. I think that we owe a great deal to the nurses who, at a time of great difficulty, when other groups in the National Health Service were taking industrial action, stayed at their posts, gave attention to the sick and often carried out as well the duties of others who were on strike. A review body is a proper recognition of the excellent standards that they uphold.

~~**Mr. James Callaghan:** Reverting to the Prime Minister's meeting with the Turkish Foreign Minister this afternoon, may I ask her why the Government abstained on the United Nations vote last May calling for the withdrawal of Turkish troops? Why has she changed British policy on this matter?~~

~~**The Prime Minister:** The right hon. Gentleman is, of course, talking about Cyprus. We abstained because we did not think that the vote on that resolution would help to further the matter. We are, as the right hon. Gentleman is aware, trying to pursue the matter through the good offices of the Secretary General of the United Nations with~~



Prime Minister ① *Yes*

Agree the written answer?

PRIME MINISTER

Yes Mr

MLs 26/7

NURSES' REVIEW BODY

Your Private Secretary's letter of 19 July contained your general agreement to my proposals on the establishment the new pay Review Body for nursing and midwifery staff and the professions allied to medicine and I now attach a draft statement. It would be helpful to make this statement before the House rises and it could be by way of a written answer.

I very much agree that the statement should give notice that staff who take industrial action will be liable to lose the benefit of the Review Body. However this would not necessarily involve an amendment to the terms of reference. We might, for example, be faced by some local industrial action by a small group of staff, possibly nursing auxiliaries or possibly trained staff, and the dispute might or might not be connected with pay. There might be more widespread industrial action, related to pay, by the minority of trained nurses who are trade union members. In circumstances such as these it would probably be more suitable to take administrative action to withhold pay increases from the individuals concern than to define classes who should be removed from the terms of reference. The form of words that I have suggested should leave us free to take either course and I hope this is acceptable.

I am sending copies of this minute and the draft statement to other members of E(PSP), the Secretaries of State for Scotland, Wales and Northern Ireland and to Sir Robert Armstrong.

26 July 1983

[Signature]
NF

Patrons: Her Majesty the Queen
Her Majesty Queen Elizabeth the Queen Mother
Her Royal Highness the Princess Margaret
Countess of Snowdon



Royal College of Nursing
of the United Kingdom

cc ✓ Steve Godber (DNSS) CC ✓ NO
20 Cavendish Square, London, W1M 0AB
Tel: (01) 409 3333
General Secretary: Trevor Clay, MPhil, SRN, RMN.

Prime Minister (2)

Mus 25/7

25th July, 1983

TC/JMS/md

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London S.W.1.

Dear Prime Minister,

I have delayed writing to you following the visit of representatives of the Royal College of Nursing to Downing Street on 29th June until after I had had an opportunity of reporting on our meeting with you to my Council which met recently. My Council endorsed wholeheartedly the appreciation which members of the delegation had stated privately, and which I now express to you, of your willingness to meet with us at such a very busy time for the Government.

We were very mindful of the points which you made during our discussion and that a commitment had been given on the scope of the review body; while regretting that this was not exclusive to qualified nurses and those in training for a nursing qualification, clearly the Rcn would not want to be in a position of asking you or your Ministers to go back on your word. Having said that, I would repeat that there has been quite a strong reaction from one or two trade union leaders with members working in the health service on this point and to the effect that they would not give any form of undertaking along the lines which your Ministers were spelling out when we talked.

As we made clear at our meeting, the Rcn believes that some potentially very interesting future opportunities for the nursing profession derive from the setting up of such a review body. The profession is pinning its hopes on the review body and eagerly awaits its emergence; it would be unthinkable, therefore, were any hiatus to occur at this late stage. Concerned about the scope of the review body as it is, the Royal College of Nursing will do everything in its power to assist the smooth working of the review body as soon as its composition and method of working have been announced definitively.

In conclusion, I would thank you most sincerely for your ready response to meet with representatives of the Rcn and for giving us so much of your time.

Yours sincerely,

Trevor Clay
Trevor Clay
General Secretary

NATIONAL HEALTH: Nurses Pay Pt 2



25 JUL 1983



COORDINATOR

CONFIDENTIAL

Law



NORTHERN IRELAND OFFICE
GREAT GEORGE STREET,
LONDON SW1P 3AJ

SECRETARY OF STATE
FOR
NORTHERN IRELAND

NBPM

Ms 25/7

The Rt Hon Norman Fowler MP
Secretary of State for Social Services
Department of Health and Social Security
Alexander Fleming House
Elephant and Castle
London SE1 6BY

25 July 1983

Ken Mowat

NURSES REVIEW BODY

I have seen a copy of your letter of 15 July 1983 to Nigel Lawson with your proposals for the new pay review body for nursing and midwifery staff and professions supplementary to medicine.

I am glad to learn that the principle of establishing a review body has been well received and would agree that an early announcement of its establishment is desirable. Although the terms of reference of the review body (like those of the Review Body for Doctors and Dentists) would not extend to Northern Ireland, in practice I am, as you know, committed to a policy of parity with NHS pay for corresponding groups of staff in the health services there.

As far as the way forward is concerned I am content with your proposals subject to the Prime Minister's point on the strengthening of the Government's line in the event of industrial action. I also share your view that it would be impracticable to include terms of service in the review body's remit. This issue would be much better dealt with by direct negotiation between your Department (with advice and assistance of NHS management) and negotiators from the professions.

I am copying my letter to the recipients of yours.

Law

Law

CAM

CONFIDENTIAL

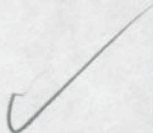
Nat Health
Nurses Pam 1
A-2

25 JUL 1983





Y Swyddfa Gymreig
Welsh Office



*Gyda Chyfarchion yr
Is-Ysgrifennydd Seneddol*

MBPM
MS 26/7

*With the Compliments of the
Parliamentary Under-Secretary of State*

*Telephone:
01-233 3000*

*Whitehall,
London, S.W.1.*

of no

Y SWYDDFA GYMREIG
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel: 01-233 3000 (Switsfwrdd)
01-233 7448 (Llinell Union)
Oddi wrth yr Is-Ysgrifennydd Seneddol



WELSH OFFICE
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel: 01-233 3000 (Switchboard)
01-233 7448 (Direct Line)
From The Parliamentary Under-Secretary

Our Ref: CT/5220/83

25 July 1983

Dear Norman,

NURSES REVIEW BODY

Thank you for copying to me your letter of 15 July to Nigel Lawson outlining your proposals for setting up the new pay review body for nursing and midwifery staff and the professions allied to medicine. I am broadly content with these and I imagine you will be consulting further about the name of the Chairman.

I agree that it makes sense for the Review Body to deal separately with the qualified and unqualified groups of staff and I endorse the need for the statement to be explicit about the implications of industrial action by any staff coming within its remit. The proposal that the Review Body should submit separate reports on nursing staff and the professions allied to medicine is sensible and I do not believe we should further widen its scope.

As regards the arrangements for negotiating on terms and conditions of service you will of course recognise that our responsibility for and to the Health Service in Wales requires a Welsh input. There have been discussions on this between our officials and I am sure we can leave it to them to work out the detail of how this is achieved.

I am copying this letter to the recipients of yours.

Yours sincerely
Wyn Roberts

WYN ROBERTS

The Rt Hon Norman Fowler MP
Secretary of State for Social Services
Alexander Fleming House
Elephant and Castle
LONDON
SE1 6BY

Not Health,
Nurses Pam 1
Pt 2

258 JUL 1959

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SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

gno
Prime Minister ⁽²⁾

CONFIDENTIAL

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
Treasury Chambers
Great George Street
LONDON SW1

Mus 22/7

22 July 1983

Dear Nigel,

NURSES REVIEW BODY

I support the proposals made in Norman Fowler's letter of 15 July for setting up the new pay review body for nursing and midwifery staff and the professions allied to medicine. It seems important to have the review body launched as soon as possible so that it can embark upon the necessary ground work for a report on pay from next April.

I agree that the review body should be asked to distinguish in its reports between the factors which bear respectively on the pay of qualified and unqualified nursing staff. In some respects - notably the supply of suitable people - these are quite distinct one from another and different outcomes can be expected. I also think it sensible to ask the review body to prepare separate reports on the two main groups which it embraces. The current close links between nursing grades and some of the allied professions are largely based on convenience and custom rather than detailed analysis and it would be helpful to see these groups considered more clearly on their own merits.

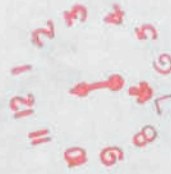
My officials will be ready to play their part in direct negotiations with staff interests on terms and conditions of service, and to ensure that the necessary links are established with Scottish Health Service management.

Copies of this letter go to the Prime Minister, members of E(PSP), the Secretaries of State for Wales and Northern Ireland and to Sir Robert Armstrong.

*Yours sincerely,
George*

not Health
Nurses pay 1
A 2

22 JUL 1963





10 DOWNING STREET

From the Private Secretary

19 July 1983

DVA
ce DM
CDLO
CS HMT
DOE
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HMT
CO
NLO
WO
SO
be Nick Owen

Dear Steve,

Nurses Review Body

The Prime Minister has seen a copy of your Secretary of State's letter to the Chancellor of the Exchequer of 15 July with his proposals for the setting up of the new pay review body for nursing and midwifery staff and the professions allied to medicine.

The Prime Minister agrees generally with your Secretary of State's proposals. But she would like the reference to the exclusion of industrial action, at the bottom of the first page of your letter, to be strengthened. The Prime Minister has suggested that instead of saying that the Government "will urgently and seriously consider" amending the review body's terms of reference to exclude those who take industrial action from future reviews, the Government should say that "it is the Government's intention to amend" these terms of reference in the event of industrial action.

I am sending copies of this letter to the Private Secretaries to the other members of E(PSP), Muir Russell (Scottish Office), Adam Peat (Welsh Office), John Lyon (Northern Ireland Office) and Richard Hatfield (Cabinet Office).

Yours sincerely,

Michael Scholar

Steve Godber, Esq.,
Department of Health and Social Security.



CC N.O.

①

DEPARTMENT OF HEALTH & SOCIAL SECURITY

Prime Minister

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

Telephone 01-407 5522

From the Secretary of State for Social Services

Agree?

Or would you like

'Consider' removed?

ML 18/7

15 JULY 1983

It must be shorter

See below

pb

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
Treasury Chambers
Great George Street
LONDON SW1

Dear Chancellor

NURSES REVIEW BODY

I have now had an opportunity to consider the comments which have been received on the Government's proposals for the new pay review body for nursing and midwifery staff and the professions allied to medicine.

On the whole the principle of establishing a review body has been well received, and I think that the aim should be to proceed to an early announcement, if possible including the name of the Chairman, so that the review body can begin its task as quickly as possible. There are a few important issues where I should be glad to have colleagues' agreement to the way in which I propose they should be handled.

The RCN, with the support from the BMA and the Health Visitors Association, has pressed very strongly for the exclusion of nursing auxiliaries and other unqualified nursing staff from the scope of the review, and had a meeting with the Prime Minister on 29 June. The Prime Minister indicated that the Government were already committed to seeking improved pay determination arrangements for all nursing staff, unqualified as well as qualified, and could not go back on that. It was however agreed that the Review Body should deal separately with qualified and unqualified nursing staff. Discussion then centred on the principle that Review Bodies are available only for staff groups which do not engage in industrial action - an important consideration because all the unqualified staff (and a minority of qualified staff) belong to trade unions affiliated to the TUC which, unlike the RCN, do not have a ban on industrial action. As we have always made clear, our position is that we are prepared to offer a review body to the nurses and other related staff groups in recognition of the fact that, taken as a whole, they refrain from industrial action. I propose that we should make this even more explicit in any statement about the new Review Body by indicating that, if any groups of staff within its remit take industrial action, (we shall urgently and seriously consider) amending its terms of reference to exclude them from future reviews.

'Consider' ?

for heading substitute

'it is our intention to amend'

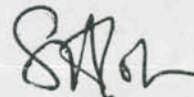
The RCN, with a measure of support from other staff bodies, have also argued that the scope of the review body is too broad in covering both nurses and the professions allied to medicine, and have suggested that there should be two review bodies. I do not think we can or should accept this proposition, but propose that we should ask the Review Body to submit separate reports on the two groups (which I would expect them to do anyway). Some requests have been received for the inclusion of other groups of staff, notably biochemists and hospital chaplains, within the scope of the Review Body arrangements, but I feel unable to recommend any changes of this sort. The speech therapists have asked to be left out, and I think we can agree to this.

There has also been comment on the proposal to replace the two Whitley Councils concerned by direct negotiations on terms and conditions of service between the Department and staff interests. Some management interests and most staff associations, apart from the RCN, have argued that the Whitley Council should continue, perhaps in a streamlined form. Some management interests have sought to circumvent the difficulty by suggesting inclusion of terms of service in the review body's remit; but I do not believe this is practicable. My own view is that the Department acting under the instructions of Ministers must take on the responsibility for these negotiations, which can have such a bearing on pay settlements. We can head off the objections by stressing - which appears not to have been sufficiently appreciated - that the Department will look to NHS management for advice and assistance in negotiating terms of service. Staff Sides can be assured that our proposals do not undermine their right to choose their own negotiators.

I should be grateful to know whether colleagues are content that I should proceed on these lines. If so, I will let the Prime Minister have the text of a draft statement.

I am sending copies of this letter to the Prime Minister, other members of E(PSP), the Secretaries of State for Scotland, Wales and Northern Ireland and to Sir Robert Armstrong.

Yours sincerely



N NORMAN FOWLER

(Approved by the Secretary of State but signed in his absence)

Nat. Health: Nurses Pt 2

18 JUL 1983





ref:JPS/AW

Brent Health Authority

24

Authority Offices, Central Middlesex Hospital, Acton Lane,
London NW10 7NS. Telephone: 965 5733 Ext 2971

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

30th June 1983

Bot

ms

Dear Prime Minister,

This is a personal note to thank you warmly for your attention, kindness and perceptiveness in your reception of and discussion with the Royal College of Nursing delegation in which I participated on Wednesday 29th June 1983.

*Yours sincerely,
James P. Smith*

James P. Smith, FRCN
District Nursing Officer
Brent Health Authority
(Chairman, Royal College of Nursing Representative Body)

SUBJECT

File

Brc/DA

cc MASTER



10 DOWNING STREET

From the Private Secretary

29 June 1983

Dear Steve,

I attach a record of the meeting which the Prime Minister had with representatives of the Royal College of Nursing today. Also attached are briefing notes left by the delegation with the Prime Minister at the end of the meeting.

I am sending a copy of this letter and the record to John Kerr (HM Treasury), Barnaby Shaw (Department of Employment), Muir Russell (Scottish Office) and Richard Hatfield (Cabinet Office).

*Yours ever,
Tim Flesher*

(Tim Flesher)

Steve Godber, Esq.,
Department of Health and Social Security

Brc

RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND REPRESENTATIVES
OF THE ROYAL COLLEGE OF NURSING AT 1430 ON 29 JUNE 1983 AT
10 DOWNING STREET

Present:

The Prime Minister	Mrs. Sheila Quinn (President)
Secretary of State for Social Services	Mr. A. Giles (Chairman of Council)
Minister for Health	Mr. Ian Hargreaves (Chairman of Committee on Labour Relations)
Mrs. Poole	Mr. James Smith (Chairman of Representative Body)
Mr. Scholar	Mr. Trevor Clay (General Secretary)
Mr. Flesher	Ms. Sally Cowrie (Director of Labour Relations/Legal Dept.)

* * * * *

Mrs. Quinn said that no-one could doubt the Government's commitment to the National Health Service and to the Review Body announced by the Secretary of State in November 1982. The Royal College of Nursing were enthusiastic about such a body; they were nevertheless grateful for the opportunity to argue that its terms of reference should be limited to professionally qualified and trained nurses. The RCN represented 60% of such nursing staff and there was a very strong feeling on this issue amongst their membership. Mr. Giles said that the RCN's long term aim was to establish a fully professional nursing service. There was a distinction between professionally qualified nurses and auxiliaries who are unqualified. Auxiliaries were not nurses; they always had to work under supervision. To confuse the two by including them under the same Review Body arrangements would be a disservice to the cause of a professional nursing service. Mr. Clay emphasised that the RCN was a trade union but a professional trade union. It was very different from the unions representing unqualified nursing staff. The RCN believed it to be vital to remove nurses' pay from the arena of industrial bargaining and indeed successive votes of the membership of the College had shown increasing majorities against any

/ possibility

possibility of industrial action. Other unions did not take this view and it was therefore essential for the membership of the RCN to be treated separately. To include in the Review Body auxiliaries whose unions would reserve the right to take industrial action would start the new arrangements, which in themselves were an enormous advance, on an entirely wrong footing.

In response the Prime Minister said that in previous discussions including that of 21 December 1981 the RCN had sought new arrangements for the determination of nurses' pay on behalf of nurses as a whole rather than simply those with professional qualifications. Accordingly the search for such arrangements had been based on the assumption that they would encompass all those groups covered by the Nurses' and Midwives' Whitley Council. That assumption had also informed the Secretary of State's announcement on 9 November. While the Prime Minister understood the distinction drawn by the RCN therefore and indeed recognised the vital part they had played in maintaining patient care during the NHS strike, to renege upon the undertaking which had been given would be seen as a breach of faith.

Mrs. Poole commented that there were other arguments in favour of a comprehensive Review Body. If nursing auxiliaries were separated from the rest of the nursing staff in their ward teams for the purposes of pay determination, difficulties of authority and responsibility for senior nursing staff could be created as had happened in similar cases such as operating theatre staff.

On the question of industrial action, the Prime Minister said that she recognised the force of the RCN's case. Indeed the purpose of the Review Body was to provide equitable arrangements for those who had refused to prejudice patient care by taking industrial action. The Secretary of State's statement in the House of Commons had envisaged that the new arrangements would apply to "skilled and dedicated staff" who did not use industrial muscle to secure their ends. It was implicit in that statement that the groups covered by the Review Body should abjure industrial action; it should perhaps now be made explicitly

a precondition of the new arrangements that staff involved should give up their right to take industrial action. Such a result would bring the auxiliaries closer to the RCN's own professional ethos and was therefore highly desirable in itself. Mr. Clay and other members of the delegation said that while they would favour an extension of the RCN's own attitude to professional ethics, there was considerable doubt as to whether the other unions involved such as NUPE and COHSE understood that ^{there was a} "no industrial action" condition for the establishment of the Review Body [redacted] implicit in the Secretary of State's statement. Moreover were such a condition to be made explicit there was every prospect that they would refuse to co-operate with the new arrangements. Indeed COHSE itself had voted against the Review Body and the settlement to the NHS dispute of which it formed part. To insist on an explicit renunciation of industrial action as a precondition of the establishment of the Review Body might well prevent it from getting off the ground. This was particularly so since the traditional unions did not represent only unqualified staff; COHSE for example represented a considerable number of professionally qualified nurses. A precondition might therefore not simply limit the ambit of the Review Body to professionally qualified nurses which was what the RCN sought but wreck it altogether.

The Secretary of State for Social Services said that whether or not a renunciation of industrial action was a precondition for the establishment of the Review Body, there could be no doubt that serious industrial action was incompatible with the continuation of Review Body arrangements which were extremely exceptional and based upon the need to provide an equitable system for dedicated staff. In practice therefore staff who benefited from a Review Body would be reluctant to take industrial action although they might not be prepared to abandon in principle their right to take industrial action.

Mr. Clay said that he hoped the Government would give further consideration to the question of preconditions for the Review Body. The RCN was anxious above all to ensure that the new arrangements came into effect: nothing should be allowed to interfere with that objective which would be a very considerable step forward for nurses.

/ Concluding

Concluding the meeting the Prime Minister said that the Government could not go back on the undertaking which had been given to all nursing staff at her meeting in December 1981. There was however no reason why within the scope of a single Review Body separate arrangements could not be made for the professionally qualified staff represented by the RCN for example by the separate submission of evidence. Such a procedure should meet the valid points which the delegation had made about the distinction between qualified and unqualified staff. On the question of whether renunciation of industrial action should be made an explicit or implicit precondition of the establishment of the Review Body, the Government would consider the position further in the light of the discussion. The Prime Minister said that she was grateful for the way in which the delegation had presented the views of the College.

The meeting ended at 1530 hours.

29 June 1983



10 DOWNING STREET

Prime Minister

Mr Fowler, Mr Clarke and
Mrs Poole (Chief Nursing Officer,
DHSS) will come at 2.20, about
10 minutes before the RCN so
that you can have a word about
how to handle the meeting.

Shall we meet in the ^{small} ~~large~~
dining room? (Six of them and six of us)

Shall we offer them coffee? ✓

Cabinet Room

Mes 28/6

Yes

MD



→ C.N.O.

DEPARTMENT OF HEALTH & SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY
Telephone 01-407 5522
G.T.N. 2915

From the Secretary of State for Social Services

Michael Scholar Esq
Private Secretary
10 Downing Street
London SW1

27/6/83

Dear Michael

I enclose briefing for the Prime Minister's meeting with the RCN at 2.30 pm on Wednesday, 29 June. I also attach, for convenience, a copy of the consultation document on the Review Body, the RCN's comments on that document and the note of the meeting between the Prime Minister and the Nurses and Midwives Whitley Council in December 1981.

Yours
C. L. Souter

MRS C L SOUTER
Private Secretary

BRIEF FOR THE PRIME MINISTER'S MEETING WITH REPRESENTATIVES
OF THE ROYAL COLLEGE OF NURSING AT

1. The Royal College of Nursing asked to meet the Prime Minister to put their views that there should be a separate review body for nurses which should be restricted to qualified staff and those in training for a qualification.

BACKGROUND

2. The proposal for a Review Body developed out of the Government's commitment to more satisfactory long-term pay arrangements for all nursing staff. This was reiterated when the Prime Minister met representatives of the Staff Side of the Nurses and Midwives Whitley Council - representing both qualified and unqualified staff - on 18 December 1981 (copy of note of meeting attached). On 9 November 1982 the Government announced that it was considering setting up a new Review Body which would report in April 1984. Representatives of nurses and the professions allied to medicine accepted a two year pay settlement up to 31 March 1984 on this basis.

3. On 22 February the Government issued its consultation document, which outlined the arrangements proposed for the new review body on the pay of nurses, midwives and the professions allied to medicine - copy attached at Annex A. The period for comments ended on 6 April. The main issues on which the Government sought views were the composition and membership of the proposed review body, the staff it would cover and its terms of reference. It was proposed that the review body should deal with the pay of both qualified and unqualified staff. In general the principle of a

Review Body has been welcomed although there has been considerable representation on detailed aspects of the proposals.

4. The full text of the response submitted by the Royal College of Nursing (RCN) is at Annex B. The RCN welcomes the establishment of a review body, subject to a number of reservations, of which the main ones are:

i. The review body should only deal with the pay of qualified staff and those in training for a statutory nursing qualification. (The Association of Nurse Administrators and the Health Visitors Association concur with this, whilst the Royal College of Midwives, NALGO, NUPE and COHSE strongly disagree, and support the Government's view that the (unqualified) nursing auxiliaries and nursing assistants should be included.)

ii. The review body should only deal with nurses, midwives and health visitors and not also with the professions allied to medicine. (The demand for two separate review bodies has been pushed strongly by professional organisations from the Staff Side of both of the Whitley Councils concerned.)

iii. Whilst largely accepting the proposals on composition and membership, the RCN would not wish to see a majority of members drawn from existing review bodies.

iv. The RCN accept the suggestion that terms and conditions of service should be directly negotiated with DHSS (rather than in the Whitley Council), provided that there is adequate representation of staff interests and that the Departmental officials involved are empowered to reach settlements.

STAFF COVERAGE

5. The question of what staff should be covered by the review body is the one which most concerned the RCN, and is likely to dominate the meeting. The Government's proposal to include unqualified as well as qualified staff was based on three main factors:

i. The Government's commitment to long-term pay arrangements applied to all nursing staff. This was the basis on which the Prime Minister met the Staff Side of the Nurses and Midwives Whitley Council in December 1981. As a result of this, the two year pay settlement for unqualified as well as qualified staff was reached on the basis that the proposed Review Body would cover all nursing staff. To go back on this would expose the Government to an apparently well-founded charge of bad faith.

ii. It would not be possible to wind up the Whitley Council if the pay of one-quarter of all nursing staff had to be negotiated outside the Review Body. (Not for mention to the RCN.)

iii. The effect of putting the unqualified staff within the remit of the Review Body would be to associate them with a very large body of qualified staff who do not take industrial action, and thus reduce the likelihood of militancy. The reverse is also true. The exclusion of unqualified nurses would strengthen their links with other staff and the more militant trade unions, who would benefit from a strong body of staff in nursing uniforms in the forefront of any future dispute.

6. All these considerations remain valid. (i) is particularly important because the organisations representing unqualified staff feel strongly that they should be covered by the review body. If the Government at this stage decided to change its original view, there would be a major row, involving charges of deliberate bad faith.

7. The RCN is likely to base its case on three main arguments:

i. Their long-term aim is to establish the professionalism of qualified nurses, with the RCN as the profession's representative body. Its achievement will be hampered if the pay of qualified nurses is handled in the same context as that of unqualified staff.

ii. In support of this objective, they believe it is possible to achieve a wholly professional nursing service by the end of the century. They are strengthened in their aim of ultimately eliminating unqualified staff by fears of unemployment amongst qualified nurses, especially those just emerging from the training schools.

iii. They fear that the smooth working and standing of the review body will be harmed by the arguments about low pay and the like which the affiliated trade unions can be expected to advance, and by the publicity which may be sought for those arguments.

8. The RCN's case in relation to professionalism has some arguments in its favour but we must avoid the danger of producing an over-trained, over-qualified and therefore over-paid staff. The balance of argument

arly seems to favour maintaining the Government's present stance. The past history, and the commitment given to all nursing staff, tells particularly powerfully in this direction. Feelings amongst RCN members on this matter are strong, and there is a possibility that they might threaten to refuse to co-operate with a review body which was not set up in accordance with their wishes. There may in some quarters of the RCN be a tendency to believe that ultimately they will get their way because Governments are reluctant to embark on a confrontation with the nurses because of the public sympathy they attract. In fact, they might be less likely to carry public support if they were to turn down the offer of a review body on what would seem unconvincing grounds. On balance, it is thought more likely that ultimately the RCN will draw back and co-operate with a review body which deals with unqualified as well as qualified staff; but careful handling will be needed to ensure this outcome.

TWO SEPARATE REVIEW BODIES

9. This is not the RCN's top priority, but they feel they deserve the recognition which would be accorded by having "their own" Review Body. A number of staff organisations have commented on the need for two review bodies. Those representing nurses are concerned about the amount of time the Review Body will need to spend on the small complex professions allied to medicine, whilst those representing the professions allied to medicine fear being overwhelmed by the numerically larger nursing staff group.

10. Undoubtedly the Review Body would have to consider a very wide range of staff groups, though arguably no less than the Armed Forces Review Body. But quite apart from the obvious practical difficulties in establishing two new Review Bodies in a Service which already has a separate Review Body for doctors and dentists there are other considerations.

Both groups of staff have historical pay links. Both were considered by Halsbury and subsequently Clegg. There are no clear job for job comparisons to be made in either case and it seems sensible that similar methods should be adopted to determine their pay. The establishment of a further review body is therefore unacceptable; but the proposed terms of reference distinguish between the two groups, and it might be presentationally helpful if the Review Body was asked to report separately on the pay of the two groups.

HANDLING OF MEETING

11. In the light of last year's events, the RCN may over-estimate their ability to induce Government to accept their wishes (see paragraph 8 above). They may also have unrealistic hopes of what a review body will do for them (eg in the way of catching-up, going back to relative pay levels recommended in the Halsbury Report). It will be helpful to reduce unrealistic expectations; but while firmness is desirable, tactful handling is equally important, for circumstances could arise where the RCN were inclined to refuse to co-operate with a review body save on their own terms. This is something which should if possible be avoided - not only would it be contrary to the long-term interests of the nurses, it would also open up an unfavourable situation for Government by creating the likelihood of an extremely difficult 1984 pay round in the NHS.

7 | 12. The Prime Minister might at the outset invite the RCN to state their case. In replying, she might express sympathy with the RCN's general stance - professionalism and the avoidance of industrial action naturally have the Government's support; but past history, and commitments already given, make it impossible fully to meet their wishes. The Government has always seen their commitment to find more satisfactory arrangements for handling

nurses' pay as applying to all nursing staff, not just to qualified nurses and students, and this was certainly the line she took at her meeting with the Staff Side in December 1981. There seems no conclusive reason on merits for taking any different view. Neither in the subsequent abortive tripartite talks nor in the announcement of last November about the proposed Review Body was there any suggestion of limitation to qualified staff. To impose this restriction now would expose the Government to a justifiable charge of bad faith. She might also make the point that she can understand anxieties that including unqualified staff might lead to pressure on the Review Body to take account of low pay and disrupt appropriate differentials between unqualified and qualified staff. But quite apart from the fact that the Review Body can be expected to take a balanced view of such matters, it is reasonable to hope that the outcome will rather be to develop a more professional attitude on the part of the unqualified staff. Moreover, when the Review Body is considering at the outset how to conduct its work, it would be open to the RCN to urge them to deal with qualified and unqualified staff separately, and in particular to receive separate evidence in relation to the two groups.

More generally, the fact is that it is because of the commitment made and fulfilled by this Government that nurses now have in prospect an improved method of handling their pay which they have been seeking for many years and which no other Government has been prepared to give them. For the reasons which have been explained, the review body has to deal with all nursing staff. That may not be seen as ideal by the RCN; but it is surely a quite minor drawback to a really major benefit which no other Government has been - or perhaps

in future would be - prepared to make available. It would show a sad lack of perspective to over-stress the question of coverage.

13. On the question of two review bodies, it is not thought the RCN will wish to press their view too far. The Prime Minister might wish to say that this is really not a practical proposition; but the Government would be prepared to ask the Review Body to report separately on the pay of nurses and of the professions allied to medicine.

ADDITIONAL POINTS

14. Points on which the Prime Minister may like to be forewarned include:

- i. Form and procedure of any new negotiating body in terms of service.

The RCN may seek the right to be consulted before any negotiating machinery is established. The position is that the decision on whether to replace the Whitley Council is for Government; but subject to that, there will have to be some discussions with staff representatives about the new arrangements.

- ii. Government acceptance of review body recommendations.

The RCN have commented that Government will have the right to put in its own evidence, and that any evidence should be judged on its merits. Given an equal opportunity to present its case, the Government should have no reason subsequently to veto the recommendations of the Review Body. They may wish to seek assurances that the Government will accept the recommendations

except where there are clear and compelling reasons for not doing so. This assurance is in the Consultative Document.

✓
iii. Implementation date of the first report.

The RCN is concerned that the Review Body will be established too late to make recommendations for the settlement due on 1 April 1984 which will follow straight on at the end of the 2-year pay deal concluded late in 1982. The Government is firmly committed to this timetable and the Prime Minister may wish to underline this. (The Review Body might decide that there was insufficient time to establish carefully considered pay determination procedures, and therefore use some sort of interim approach. But that is a matter entirely for them, and there will probably be no need to mention it to the RCN at this stage.)

APPENDIX

LIST OF BODIES TO WHOM THE CONSULTATION DOCUMENT HAS BEEN SENT

Association of Hospital and Residential Care Officers
Association of Nurse Administrators
Association of Supervisory Midwives
Confederation of Health and Service Employees
General and Municipal Workers Union (MATSA)
Health Visitors Association
National and Local Government Officers Association
National Union of Public Employees
Royal College of Midwives
Royal College of Nursing
Scottish Association of Nurse Administrators
Scottish Health Visitors Association

Association of Clinical Biochemists
Association of Scientific, Technical and Managerial Staff
British Association of Occupational Therapists
British Dietetic Association
British Orthoptic Society
Chartered Society of Physiotherapy
College of Speech Therapists
Federation of Professional Organisations
Hospital Physicists' Association
Society of Chiropodists
Society of Radiographers
Society of Remedial Gymnasts

Regional Health Authority Chairmen and Regional Administrators, Medical Officers,
Nursing Officers and Treasurers,
Chairmen of Boards and Authorities in Scotland and Wales
Nurses and Midwives Whitley Council Management and Staff Side Chairmen & Secretary
Professional and Technical (A) Council Management and Staff Side Chairman &
Secretary
National Association of Health Authorities in England and Wales
Confederation of British Industry
TUC Health Services Committee
Scottish TUC

For Information

Association of County Councils
Association of Municipal Authorities
British Dental Association
British Medical Association
General Whitley Council
Convention of Scottish Local Authorities

CONSULTATION DOCUMENT: REVIEW BODY FOR NURSING AND MIDWIFERY STAFF AND PROFESSIONS ALLIED TO MEDICINE

1. In a statement in the House of Commons on 9 November 1982, the Secretary of State for Social Services announced that the Government proposed the establishment of a review body which would have the task of making recommendations about the pay of nurses, midwives and health visitors and the professions allied to medicine, and that consultations with interested bodies would shortly be undertaken on the detailed arrangements.
2. The Government proposes that the new review body should follow the same general pattern as the Doctors and Dentists Review Body. It may therefore be helpful to recall that the Royal Commission on Doctors and Dentists Remuneration which reported in 1960 identified three broad objectives: to avoid disputes over the remuneration of doctors and dentists; to provide an assurance to the staff concerned that their pay would be determined on a fair basis; and to provide fair treatment for the taxpayer. In order to achieve them, it recommended the establishment of a Doctors and Dentists Review Body. This is an independent body, which reports to the Prime Minister. Its secretariat is provided by the Office of Manpower Economics. The Review Body is free to determine its own method of working, obtain any information it requires and take evidence from interested parties. The Government has given an assurance that its recommendations will be accepted unless there are clear and compelling reasons for not doing so.
3. There are three important aspects of the Government's proposals relating to the establishment of the new review body on which interested organisations may wish to express views. These are: its composition and membership; the staff to be covered by its remit; and the terms of reference. Further details are given below. The Government is anxious that the review body should be established as quickly as possible so that it may have sufficient time to carry out the necessary groundwork prior to the submission of its first report in April 1984. Comments are therefore requested within 6 weeks of the date of the covering letter and should be sent to John H James, Room 77 Hannibal House, Elephant and Castle, London SE1 6TE. A list of the bodies to whom the consultative document has been sent is in the appendix to this paper.

Composition and Membership

4. It is proposed that the review body should have a chairman and a maximum of seven other members, who would be appointed by the Prime Minister. The intention is that the review body should have some common membership with the Doctors and Dentists Review Body and the Armed Forces Pay Review Body.
5. Members of the review body would be appointed for their individual qualities. They should be completely independent, and none should be members of, or closely connected with, the professions whose pay is being reviewed. It is proposed that members should generally serve for a period of four years but may be reappointed for further terms.

Coverage

6. It is proposed that the review body should make recommendations about the pay of all qualified and unqualified staff whose pay and conditions of service are currently negotiated by the Nurses and Midwives Whitley Council and the full Professional and Technical 'A' Council. This approach would maintain the long-standing association between these groups in respect of their pay determination arrangements. The pay of groups currently negotiated in the wholly autonomous Sub-Committees 'A' and 'E' of the PTA Council would continue to be negotiated in the existing or an amended Whitley framework.

7. The review body would deal only with the remuneration of the groups concerned, leaving their terms and conditions of service to be negotiated elsewhere. Because of the important links between pay and terms of service, however, it would be necessary to make arrangements, similar to those which apply in relation to the Doctors and Dentists Review Body, for the review body to be kept fully informed of agreed or prospective changes in the terms of service, so that it could have an opportunity, if appropriate, to express a view to the negotiators about the changes proposed in respect of their implications for pay. The Government proposes that the Department should be responsible for negotiating changes in the terms of service with staff interests and jointly with those interests, for keeping the review body informed. In exercising these functions the Department would look for advice to NHS management.

Terms of Reference

8. The following terms of reference are proposed:-

"To advise the Prime Minister on the remuneration, with effect from 1 April 1984, and subsequently, of:

- i. Nursing Staff, Midwives and Health Visitors employed in the National Health Service;
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9. The Government will look to the review body to give due weight to economic and financial considerations, as well as to the recruitment, retention and motivation of the staff concerned, and will submit evidence to them on these matters.

APPENDIX

LIST OF BODIES TO WHOM THE CONSULTATION DOCUMENT HAS BEEN SENT

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Association of Nurse Administrators
Association of Supervisory Midwives
Confederation of Health and Service Employees
General and Municipal Workers Union (MATSA)
Health Visitors Association
National and Local Government Officers Association
National Union of Public Employees
Royal College of Midwives
Royal College of Nursing
Scottish Association of Nurse Administrators
Scottish Health Visitors Association

Association of Clinical Biochemists
Association of Scientific, Technical and Managerial Staff
British Association of Occupational Therapists
British Dietetic Association
British Orthoptic Society
Chartered Society of Physiotherapy
College of Speech Therapists
Federation of Professional Organisations
Hospital Physicists' Association
Society of Chiropodists
Society of Radiographers
Society of Remedial Gymnasts

Regional Health Authority Chairmen and Regional Administrators, Medical Officers,
Nursing Officers and Treasurers,
Chairmen of Boards and Authorities in Scotland and Wales
Nurses and Midwives Whitley Council Management and Staff Side Chairmen & Secretary
Professional and Technical (A) Council Management and Staff Side Chairman &
Secretary
National Association of Health Authorities in England and Wales
Confederation of British Industry
TUC Health Services Committee
Scottish TUC

For Information

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British Dental Association
British Medical Association
General Whitley Council
Convention of Scottish Local Authorities



bcc Dues

HU

10 DOWNING STREET

From the Private Secretary

23 June 1983

I am writing on behalf of the Prime Minister to thank you for your letter of 20 June. The Prime Minister will, I know, be grateful to you for your good wishes upon the outcome of the General Election.

The Prime Minister has agreed to the meeting you requested about the setting up of a Pay Review Body for nurses and midwives, and I expect that you will shortly be hearing from Norman Fowler's office about the arrangements for this meeting.

M. C. SCHOLAR

Trevor Clay, Esq.

SH

Caroline

Caroline/Do I need to ring a write to

Mr Clay? Prime Minister

(2)

Please let me fix in

consultation

with

Mr Fowler's office?



MCS 22/6

To see. We are fixing

a meeting.

20 Cavendish Square, London, W1M 0AB

Tel: (01) 409 3333

General Secretary: Trevor Clay, MPhil, SRN, RMN.

MCS 20/6

Done

MCS

23/6

PS

R 20/6

MCS

21/6

Royal College of Nursing of the United Kingdom

TC/JMS/md

20th June, 1983

MCS
I have offered
1430 on
Wednesday 29th
June - D+SS
will ring you
to discuss
agenda
briefing.
Cl. 22/6.

BY HAND

The Rt. Hon. Margaret Thatcher, MP,
Prime Minister,
10 Downing Street,
London, S.W.1.

Dear Prime Minister,

I have returned to my desk today from a three week visit to Brazil and the United States and I am writing without delay to offer you good wishes following the outcome of the General Election and to say how much the Royal College of Nursing looks forward to a continuation of the good working relationships which it has established with your administration; I am particularly pleased that Mr. Fowler remains as Secretary of State for Social Services.

I am well aware of the exceptionally heavy workload which you have, particularly in respect of those major issues outstanding from before 9th June. The Royal College of Nursing remains totally committed to the setting up of a Pay Review Body for Nurses and Midwives and it hopes very much indeed that this particular issue will be near the top of your agenda. Members of the Rcn continue to feel very strongly about this matter and regret that, because of the General Election, it was not possible for Rcn representatives to meet with you. I hope very much that a meeting can take place at an early date and I look forward to hearing from your office.

Yours sincerely

Trevor Clay

Trevor Clay
General Secretary



~~BT~~

10 DOWNING STREET

CR

Ray Lane been
offered 1030 on
the 16th May.

Spoke to JHAI
again today but
no answer as
yet from them.

Will copy.

CF.

15th check with TF
Cancelled due to
Election Campaign.
13.5.83.

I hope it will not
be attended by too much
publicity.

PRIME MINISTER *ms*

Prime Minister

Agree to see them?

Yes ms

ms 29/4

The Royal College of Nursing have asked for a meeting with you about the detailed arrangements for the new Review Body, and in particular about what to them is the crucially important question of whether it should deal with unqualified as well as qualified staff.

The arguments for and against your seeing them are fairly evenly balanced. On the one hand, it would be a mistake to create the impression that any trade union, even one like the Royal College of Nursing whose hand we should like to strengthen vis-a-vis the affiliated Trade Unions, has automatic right of access to you whenever they wish. It is also questionable whether the issue is sufficiently intrinsically important to justify your personal involvement.

On the other hand, such a meeting would follow naturally from your meeting with all the nursing organisations in December 1981, and could I think be turned to some advantage. You could point out that no other Government has been prepared to give the nurses the improved system of pay determination which they have been seeking for so many years. The new Review Body is for them a benefit the extent of which it is difficult to overstate, and for which they have to thank this Government. But the commitment which you repeated in December 1981 was to the Staff Side as a whole. No one at the time raised any objections relating to the inclusion of unqualified staff, and it would now be unreasonable for the Royal College of Nursing to expect the Government to renege on its commitment. There is the further consideration that it is in the Government's interest that the Review Body should make a good start, and for that the cooperation of the Royal College of Nursing is a sine qua non. Your involvement at this stage offers the best assurance that that cooperation will be forthcoming.

Weighing these considerations against one another, I believe that the balance of advantage lies in your agreeing to see the Royal College of Nursing, even if quite briefly, when your diary permits.

26 April 1983

Ref: N F

FILE SW
600: F. Mount.

10 DOWNING STREET

From the Private Secretary

25 April, 1983


Review Body for Nurses and Midwives

Mrs. Caroline Cox has made representations to the Prime Minister, through Ferdinand Mount, about the coverage of the proposed Review Body for Nurses and Midwives on familiar lines.

I thought that your Secretary of State would wish to know about this; and to know that Mrs. Cox is being told that, although the Prime Minister has much sympathy with these points, her conclusions are as set out in the consultation document; and that the Prime Minister is clear that the coverage of the Review Body should not be extended any further, to include, for example, NHS porters and cleaners.

M. C. SCHOLAR

S. A. Godber, Esq.,
Department of Health and Social Security



Prime Minister ①

22 April 1983
Policy Unit

PRIME MINISTER

Agree to X?

MUS 22/4

Yes please
mt

REVIEW BODY FOR NURSES AND MIDWIVES

Caroline Cox came to see me. She says that the entire Royal College of Nursing is furious about the coverage of our proposed Review Body. The nurses say that they were promised a Review Body which would take fully into account their refusal to strike and their professional qualifications and responsibilities. They say that they do not mind the physiotherapists and radiographers or student nurses being included. But they do most strongly object to the inclusion of nursing auxiliaries, for the following reasons:

- (a) the auxiliaries are unqualified and are not seeking qualifications;
- (b) a lot of them went on strike and behaved badly during the dispute, throwing an extra burden on the nurses;
- (c) they belong to NUPE and COHSE and thus offer the unions a foothold in the Review Body.

Norman Fowler wanted to include the unqualified auxiliaries on the grounds that they were included in the coverage of the Nursing Whitley Council and that we had made an implied commitment to them dating back to your meeting with the whole of the Whitley Council Staff Side in 1981. It was also argued at the time that involving at least some union members in the Review Body would make them behave more responsibly.

You reluctantly agreed. Subsequent experience suggests that you were right to be reluctant. By including the auxiliaries, we have lost the support of the real nurses, which was the purpose of the whole exercise.

The difficulty remains that it was to the entire Staff Side of the Whitley Council that you gave the commitment to "the search for agreed and durable long-term arrangements". And the Consultation Document has now pinned us to that commitment.

The only way out that I can think of would be some such formula as:

"After consultation with the nursing profession, the Government has decided that a Review Body should be set up along the lines

of the Doctors' and Dentists' Review Body, and that it should be confined to professionally qualified members of the nursing profession or those seeking such qualifications. Other unqualified categories of staff at present covered by the nursing Whitley Council (the auxiliaries and assistants) would in future have their pay determined by that Whitley Council only after taking into account the report of the Nursing Review Body, in order to ensure fairness and sensible relativities within the profession."

This imperfect compromise would probably satisfy the Royal College, and it might keep the auxiliaries quiet without dangerously extending the coverage of the Review Body. But I very much doubt it. I am afraid we are stuck with the Consultation Document.

+ | Could I at least let Caroline know of your sympathy with the nurses' argument and your determination that the coverage of the Review Body should certainly not be extended any further to include the porters and cleaners?

FERDINAND MOUNT

fm

Patrons: Her Majesty the Queen
Her Majesty Queen Elizabeth the Queen Mother
Her Royal Highness the Princess Margaret
Countess of Snowdon



20 Cavendish Square, London, W1M 0AB
Tel: (01) 409 3333
General Secretary: Trevor Clay, MPhil, SRN, RMN.

Royal College of Nursing of the United Kingdom

Rcn COMMENTS ON THE CONSULTATION DOCUMENT ON A REVIEW BODY FOR NURSING AND MIDWIFERY STAFF AND PROFESSIONS ALLIED TO MEDICINE

Introduction

In welcoming the opportunity to put forward comments on the consultation document on a Review Body for nursing and midwifery staff and professions allied to medicine, the Royal College of Nursing of the United Kingdom (Rcn) regrets that its initial reactions are critical in three important respects:-

firstly, the delay between the announcement by the Secretary of State in the House of Commons on 9th November 1982 that the Government proposed to establish a review body and would shortly be launching a consultation document and the eventual publication of that document on 22nd February 1983;

secondly, the comparatively short period allowed for consultation; and thirdly, but very importantly, the brevity of the document and the broad nature of its proposals.

However, it has long been the view of the Rcn - and a major objective towards which it has been working - that there should be established a mechanism for the determination of nurses' pay which would recognise their worth as a special professional group within the National Health Service and would be capable of translating that recognition into fair and just levels of remuneration. Therefore, while not in agreement with all the proposals contained in the consultation document, the Rcn was pleased to receive it as an earnest of the goodwill and commitment of the Government towards the nursing profession.

Background

Before making specific comments, the Rcn would like to give a little background to the present situation, by drawing attention to its history as the leading protagonist on behalf of nurses and their pay since its establishment in 1916.

Far too frequently in the past the pay of nurses has fallen significantly behind that of other occupational groups with whom

They could be compared and it was only as a result of massive campaigns by the Rcn that various Committees or Commissions - from Rushcliffe in 1941 to Clegg in 1979 - were set up, resulting in pay awards to nurses which brought them, temporarily, more into line with other relevant groups.

However, other groups of workers, with more industrial muscle, were able to achieve higher pay awards and, inevitably, nurses' pay slipped back again, so that the "favourable" comparisons were of brief duration only. It was in an attempt to put an end to such "leapfrogging" that the Rcn established its case for "special treatment" for nurses, in the belief that the commitment of nurses to their patients and clients and their voluntary foregoing of the use of the weapon of strike action were, and are, sufficient grounds for them to be accorded such special treatment.

The Consultation Document

The Rcn is concerned that, despite being described as "consultative", the document implies that some major decisions have already been taken as to the nature of the Review Body. The Rcn believes this to be unfortunate, bearing in mind the profound implications for the nursing profession of the proposals, and reserves its right to question some of the underlying assumptions and to comment on the proposals even though it may not have been the intention that they should be the subject of consultation.

The Scope of the Review Body

As the major professional organisation and trade union for nurses in the United Kingdom, the Rcn holds strong views on:-

- i) the nursing grades which should properly fall within the remit of the Review Body; and
- ii) the principle that the Review Body should also determine the pay of other professions within the National Health Service.

Various terms have been used in the document, and elsewhere, to describe the grades within the nursing structure to be covered by the Review Body. These range from the Secretary of State's reference to "nurses, midwives and health visitors" to "all qualified and unqualified staff whose pay and conditions of service are currently negotiated by the Nurses and Midwives Whitley Council" (Para 6).

The Rcn is firmly of the view that the Review Body should be a "Nurses and Midwives Review Body" and should be concerned only with those staff within the National Health Service who hold or are in training for a statutory nursing qualification.

The former group constitute the profession; the latter, while technically not yet members of the profession, which they become on qualification, comprise, until such time as they are granted true student status, a significant portion of the nursing workforce and, for as long as that remains the case, should therefore have their pay and conditions of service determined in tandem with that of the profession as a whole.

The Rcn is opposed to the proposal that unqualified staff should come within the remit of the Review Body. The Council of the Rcn was unanimous in its view that a Review Body for Nurses and Midwives should not include nursing auxiliaries and assistants, who are unqualified staff who are not in training for a professional nursing qualification. The Rcn believes that the professionalism of nursing will be enhanced by the establishment of a Review Body and believes also that the manpower situation in the United Kingdom is such that it will be possible to move towards achieving a fully qualified nursing service for society by the end of this century.

The Rcn now has a policy document on a professional structure for nursing - this document advocates the removal of the word 'nursing' from the grade title of the nursing auxiliary and assistant and, in fact, to re-title the job as that of a Care Assistant, believing that this more accurately describes their role.

Furthermore, it is not always appreciated that the title "nurse" is protected in law and the Rcn feels bound to point out that the proposal in paragraph 6 of the document conflicts with the Statement by the Secretary of State quoted in the first paragraph.

For similar reasons, the Rcn is opposed to the principle that nurses, midwives and health visitors should "share" a Review Body with other professions, ie those "allied to medicine". The argument of the sheer size of the professional group comprising nurses, midwives and health visitors has already been advanced in support of their having their "own" Review Body; the Rcn would also submit that the very special, indeed unique, nature of their case demands no less than that they be accorded this recognition, which would follow more closely the pattern of the Doctors' and Dentists' Review Body, to which reference is made in paragraph 2 of the Consultation Document. The Rcn holds the view that the Nurses and Midwives Review Body should follow closely the Doctors' and Dentists Review Body, not merely "follow the same general pattern" and in this connection would point out that the terms of reference for the Doctors' and Dentists Review Body which have been quoted were the original ones, and not those currently in use.

The Review Body

In order that the Review Body may achieve and maintain credibility, it is essential that it is, and is seen to be, entirely independent. It should report direct to the Prime Minister and should be serviced by an independent secretariat.

As an independent entity the Review Body should be free to determine its own method of working; however, such discretion should not preclude consultation with appropriate staff organisations on the best way of achieving an acceptable and durable system. The Rcn looks forward to entering into discussions with the Review Body as soon as it is established and ready to start its work.

In this context the Rcn cannot emphasize too strongly the urgent need for the Review Body to be established as quickly as possible. There is a vast amount of work to be undertaken if it is to produce recommendations for implementation on the effective settlement date of 1st April 1984 and it will be remembered that it was on the clear understanding that this implementation date would be achieved that the nursing profession accepted the current pay settlement, of which the Review Body formed an integral part.

Membership of the Review Body

The Rcn has no specific comments to make on the numerical membership of the Review Body other than to urge that the calibre and mix of members is of greater importance than the absolute number. The Rcn acknowledges that there would be some value in common membership with other Review Bodies because of the expertise that would thereby be available, but it does not see this as a prerequisite and would certainly be opposed to a majority of members being drawn from such a source.

The Rcn considers it essential that the Chairman and members of the Review Body equally should be independent and totally unconnected with any other discipline within the National Health Service; further the Rcn believes strongly that they should be appointed on the basis of their proven expertise and individual qualities.

The Rcn welcomes the proposal that the Review Body will concentrate its energies on the pay of nurses; it has no fundamental objection to terms and conditions of service being negotiated elsewhere. The suggestion that they be negotiated directly with the DHSS is acceptable with two provisos:-

- i) that staff interests are adequately represented in that process; and
- ii) that Departmental officials nominated to negotiate are empowered to reach settlements.

However, the Rcn would emphasize that all appropriate staff organisations should be consulted on the form and procedure of any future negotiating machinery.

While on the subject of the Review Body itself, the Rcn would draw attention, in the light of its views as to the staff to be covered, to the need to amend the proposed terms of reference set out in paragraph 8 of the Consultation Document.

Role of the Government

The Rcn recognises that the Government will inevitably wish to submit to the Review Body evidence on prevailing economic and financial circumstances. It assumes that this would be routed through the Health Departments and that it would be made available to the appropriate staff organisations for study and comment. Any evidence submitted to the Review Body, from whatever source, should be judged on its merits. Given an equal opportunity to present its case, the Government should have no reason subsequently to veto the recommendations of the Review Body.

In this context the Rcn was pleased to note that in reply to a question the Prime Minister recently assured the House of Commons that no distinction would be drawn between this Review Body and the Doctors' and Dentists' Review Body regarding Governmental acceptance of the recommendations "unless there were clear and compelling reasons not to do so".

Conclusion

From the foregoing comments it will be seen that the Rcn is in broad agreement with the proposal to establish a Review Body for nurses and midwives. It regards this development as essential and one which should be implemented fully as a matter of urgency.

Frequent reference has been made, over the years, to a state of low morale within the nursing profession and such a statement was never more true than today. The members of the professional organisations for nursing, midwifery and health visiting bore the brunt of providing continuing and essential services to patients when other staff within the National Health Service were taking industrial action, including strike action. Those same nurses are undergoing severe trauma from yet another reorganisation of the service. They require a period of stability during which to consolidate these changes and plan for the future care of those patients and clients entrusted to them. An essential element in such a period of stability would be the freedom from anxiety about their pay and from the need to engage in the campaigns and demonstrations which have become such a feature in recent years.

The Rcn looks forward, therefore, to the early establishment of the Nurses and Midwives Review Body and to full co-operation with it in its mammoth task.

30th March 1983

PF

Nat Health



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 Flesher Esq
Private Secretary
10 Downing Street
LONDON
SW1

*GRZ
pre type
DES draft with +
miss para for Mrs
signature*

29/3/83

Dear Tim

DF 29/3

Stephen Williams at DES sent me a copy of the Baroness Cox's letter of 16 March to the Prime Minister and asked me to reply direct on the points she raises in her confidential note. The note comments on our consultation document on the proposed review body for nurses, midwives and professions allied to medicine. A copy of the document is attached.

The main concern expressed by Lady Cox stems from the Government's proposal to include unqualified as well as qualified nursing staff within the review body's remit. She argues that to do so will undermine the review body's ability to take fully into account the professional qualifications and responsibility of trained nurses.

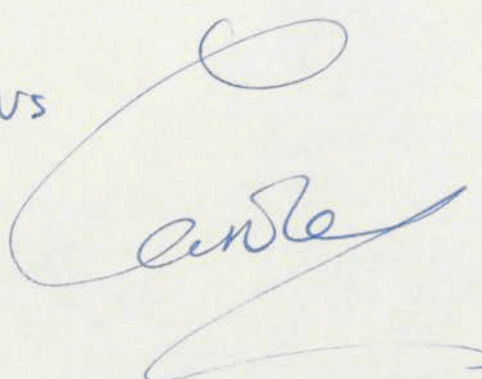
This was recognised as one of the major issues which needed to be resolved before finalising the consultation document. Following an exchange of minutes between my Secretary of State and the Prime Minister it was agreed that unqualified staff should be covered by the remit of the review body. The main arguments in favour of their inclusion are:

- i. The Government's commitment to long-term pay determination arrangements applied to all nursing staff. This was the basis on which the Prime Minister met the Staff Side of the Nurses and Midwives Whitley Council in December 1981. To go back on this would expose the Government to the charge of bad faith.
- ii. It would not be possible to wind up the Whitley Council if the pay of one-quarter of all nursing staff had to be negotiated outside the review body.
- iii. The effect of putting the unqualified staff within the remit of the review body would be to associate them with a very large body of qualified staff who do not take industrial action and thereby reduce the likelihood of militancy.

All of these reasons remain valid. In any event it would not be right to

E.R.

er a debate on this issue whilst the Government's proposals are out for consultation. For this reason I suggest that a non-committal paragraph in response to Lady Cox's note is required and I attach a possible draft.

Yours


MRS C L SOUTER
Private Secretary

ENC

DRAFT PARAGRAPH IN REPLY TO LADY COX

Finally, I was most interested to read your comments on our consultation document on the proposed review body for nurses, midwives and professions allied to medicine. You have rightly raised some very important issues in relation to our proposals but I am sure you will understand if I do not enter into a discussion whilst they are out for consultation. Nevertheless I will ensure that Norman Fowler receives a copy of your note and is therefore able to take it into account when considering the outcome of the consultation process.

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Royal College of Midwives
Royal College of Nursing
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Association of Clinical Biochemists
Association of Scientific, Technical and Managerial Staff
British Association of Occupational Therapists
British Dietetic Association
British Orthoptic Society
Chartered Society of Physiotherapy
College of Speech Therapists
Federation of Professional Organisations
Hospital Physicists' Association
Society of Chiropodists
Society of Radiographers
Society of Remedial Gymnasts

Regional Health Authority Chairmen and Regional Administrators, Medical Officers,
Nursing Officers and Treasurers,
Chairmen of Boards and Authorities in Scotland and Wales
Nurses and Midwives Whitley Council Management and Staff Side Chairmen & Secretary
Professional and Technical (A) Council Management and Staff Side Chairman &
Secretary
National Association of Health Authorities in England and Wales
Confederation of British Industry
TUC Health Services Committee
Scottish TUC

For Information

Association of County Councils
Association of Municipal Authorities
British Dental Association
British Medical Association
General Whitley Council
Convention of Scottish Local Authorities

29 MAR 1951

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DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

Timothy Flesher Esq
Private Secretary
10 Downing Street
London SW1

28 March 1983

Dear Tim,

Thank you for your letter of 17 March, enclosing this one to the Prime Minister from Baroness Cox.

Baroness Cox's letter covered three matters: the funding and activities of students' unions, examination results, and the proposed Review Body for Nursing and Midwifery Staff. I attach a draft reply covering the first two; the last matter is for DHSS and I agreed with your correspondence section that they should submit their part of the draft reply direct to you in order to prevent delay.

Yours ever
Stephen.

STEPHEN WILLIAMS
Private Secretary

DRAFT REPLY FOR THE PRIME MINISTER TO SEND TO BARONESS COX

Thank you for your letter of 16 March.

I share your concern about the situation at the Polytechnic of North London; so does Keith Joseph as you know. He has made his view plain to the CNAA (to whom Miss Jeffery addressed her complaint); They intend to mount an enquiry.

On the question of student unions, I agree that we have seen recently a number of disturbing examples of political activity. However, I am afraid that student unions cannot accurately be described, in the normal sense of the term, as closed shops. They are integral parts of their parent institutions and their constitutional position is defined in Articles of Government - or of Association in the case of London polytechnics - and the rules made under them. Under these Articles the ILEA cannot be prevented from earmarking sums in aid of union functions and Keith has very little power to intervene. Indeed his predecessor's announcement of the new funding system (which did not incidentally require legislation) acknowledged that it could be appropriate for local authorities to be concerned in the question of allocation. He is, however, currently considering whether it is open to him to write to the authorities of the Polytechnic of North London pointing out that, although they do not control the funding of their students' union, they have a responsibility under the Articles of Association to ensure that the monies made available to it are spent in ways consistent with its charitable status.

The use made by students' unions, however, of the public funds allocated to them has been the subject of a number of complaints, all of which are carefully investigated. Keith is in fact currently pursuing a complaint by the Federation of Conservative Students about the activities of the students' union at Bradford University which could give rise to further advice being given to institutions generally on the conflict between certain activities of students' unions and their charitable status. Not all unions have such status, although those of the London Polytechnics do. I realise that some of the public money made available goes on sabbatical officers with the

consequences in many cases which you describe. I know that Keith
considering the options.

I am glad to be kept in touch with the progress of the NCEA's research on examination results. I know that Keith Joseph and Rhodes Boyson look forward to seeing what the Council's report has to say.

Baroness COX



FILE

RM

28/3

10 DOWNING STREET

From the Private Secretary

17 March, 1983

I enclose a copy of a letter the Prime Minister has received from Baroness Cox, Director of the Nursing Education Research Unit of Chelsea College.

I should be grateful if you could let me have a draft reply for the Prime Minister's signature to reach me here by Monday, 28 March.

(Timothy Flesher)

S. Williams, Esq.,
Department of Education and Science

VC



NBPM

MU 7/3

cc

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

The Rt Hon Tom King MP
Secretary of State for the Environment
Department of the Environment
2 Marsham Street
LONDON
SW1

Thank you for your letter of 23 February about the Review Body for nurses, midwives and professions allied to medicine.

As I said in my minute to the Prime Minister, I see very real disadvantages in asking the Review Body to deal also with terms and conditions of service - the problems Sir Robert Clark identified, the danger that the Review Body would be turned into a negotiating forum and the potential loss of control. I pointed out also that our experience of the DDRB has shown that, provided close contacts are maintained between those who negotiate terms of service and the Review Body about changes which have been agreed or are in prospect, the arrangements operate satisfactorily. I suspect that this is considerably easier where Government itself is doing the negotiation than for a third party like the local authority employers.

We can of course look at this again at the end of the consultation period if grounds emerge to suggest that there may be problems; but my present view is that the approach we are proposing to adopt is the right one.

I am sending copies of this letter to the recipients of yours.

NORMAN FOWLER

Nat Health
Nurses Pay
#2

DEPARTMENT OF HEALTH & SOCIAL SECURITY
Bureau of Health Insurance Administration
Washington, D.C. 20201

77 MAR 1983

RECEIVED
MAR 10 1983

[Faint, illegible text and markings]



Prime Minister

2
2

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

Good.

MUS 23/2

My ref:
Your ref:

23 February 1983

D. Norman,

ms

In your minute to the Prime Minister of 11 February, about the Review Body for Nurses and Related Groups, you deal again with the point about what you see as the inevitable separation of the negotiations for terms and conditions of service and those for pay.

While I understand the difficulties that there are over this, and that this has been the practice in the other Review Bodies, I really feel I must emphasise again how difficult I think this is in terms of seeing any real improvements over terms and conditions of service. This point has been continually brought home to me in connection with the teachers pay arrangements which operate in exactly this separated way. Local authority leaders have always said how impossible it is to get any effective bargaining over terms and conditions because there is no opportunity to use any pay arrangements to help achieve improvements.

I recognise that what I am seeking to change is the accepted practice for the other Review Bodies as well, but I do regard it as so important that I hope no final decision will be taken on this and that we can consider it again at the end of the consultation.

I am sending copies of this letter to the Prime Minister, the members of E(PSP), the Secretaries of State for Scotland, Northern Ireland and Wales, and to John Sparrow and Sir Robert Armstrong.

TOM KING

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h

Mat Health - Denver Pg 172



22 FEB 1953



*Not Health
copy*

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

A M Russell Esq
Private Secretary to
The Rt Hon George Younger TD MP
Secretary of State for Scotland
Scottish Office
Dover House
Whitehall
LONDON
SW1A 2AU

21 February 1983

Dear Miss

NURSES' REVIEW BODY

No 10 are planning for the Prime Minister to announce tomorrow the publication of the consultation document. I enclose a copy of the final version of that document, as agreed with No 10 following my Secretary of State's minute of 11 February to the Prime Minister.

Copies go to Michael Scholar (No 10), the private secretaries to members of E(PSP), John Lyon (Northern Ireland Office), Adam Peat (Welsh Office) and Richard Hatfield (Cabinet Office).

Yours ever,

D J Clark

D J Clark
Private Secretary

CONSULTATION DOCUMENT: REVIEW BODY FOR NURSING AND MIDWIFERY STAFF AND PROFESSIONS ALLIED TO MEDICINE

1. In a statement in the House of Commons on 9 November 1982, the Secretary of State for Social Services announced that the Government proposed the establishment of a review body which would have the task of making recommendations about the pay of nurses, midwives and health visitors and the professions allied to medicine, and that consultations with interested bodies would shortly be undertaken on the detailed arrangements.

2. The Government proposes that the new review body should follow the same general pattern as the Doctors and Dentists Review Body. It may therefore be helpful to recall that the Royal Commission on Doctors and Dentists Remuneration which reported in 1960 identified three broad objectives: to avoid disputes over the remuneration of doctors and dentists; to provide an assurance to the staff concerned that their pay would be determined on a fair basis; and to provide fair treatment for the taxpayer. In order to achieve them, it recommended the establishment of a Doctors and Dentists Review Body. This is an independent body, which reports to the Prime Minister. Its secretariat is provided by the Office of Manpower Economics. The Review Body is free to determine its own method of working, obtain any information it requires and take evidence from interested parties. The Government has given an assurance that its recommendations will be accepted unless there are clear and compelling reasons for not doing so.

3. There are three important aspects of the Government's proposals relating to the establishment of the new review body on which interested organisations may wish to express views. These are: its composition and membership; the staff to be covered by its remit; and the terms of reference. Further details are given below. The Government is anxious that the review body should be established as quickly as possible so that it may have sufficient time to carry out the necessary groundwork prior to the submission of its first report in April 1984. Comments are therefore requested within 6 weeks of the date of the covering letter and should be sent to John H James, Room 77 Hannibal House, Elephant and Castle, London SE1 6TE. A list of the bodies to whom the consultative document has been sent is in the appendix to this paper.

Composition and Membership

4. It is proposed that the review body should have a chairman and a maximum of seven other members, who would be appointed by the Prime Minister. The intention is that the review body should have some common membership with the Doctors and Dentists Review Body and the Armed Forces Pay Review Body.

5. Members of the review body would be appointed for their individual qualities. They should be completely independent, and none should be members of, or closely connected with, the professions whose pay is being reviewed. It is proposed that members should generally serve for a period of four years but may be reappointed for further terms.

Coverage

6. It is proposed that the review body should make recommendations about the pay of all qualified and unqualified staff whose pay and conditions of service are currently negotiated by the Nurses and Midwives Whitley Council and the full Professional and Technical 'A' Council. This approach would maintain the long-standing association between these groups in respect of their pay determination arrangements. The pay of groups currently negotiated in the wholly autonomous Sub-Committees 'A' and 'E' of the PTA Council would continue to be negotiated in the existing or an amended Whitley framework.

7. The review body would deal only with the remuneration of the groups concerned, leaving their terms and conditions of service to be negotiated elsewhere. Because of the important links between pay and terms of service, however, it would be necessary to make arrangements, similar to those which apply in relation to the Doctors and Dentists Review Body, for the review body to be kept fully informed of agreed or prospective changes in the terms of service, so that it could have an opportunity, if appropriate, to express a view to the negotiators about the changes proposed in respect of their implications for pay. The Government proposes that the Department should be responsible for negotiating changes in the terms of service with staff interests and jointly with those interests, for keeping the review body informed. In exercising these functions the Department would look for advice to NHS management.

Terms of Reference

8. The following terms of reference are proposed:-

"To advise the Prime Minister on the remuneration, with effect from 1 April 1984, and subsequently, of:

- i. Nursing Staff, Midwives and Health Visitors employed in the National Health Service;
- ii. Physiotherapists, Radiographers, Remedial Gymnasts, Occupational Therapists, Orthoptists, Chiropodists, Dietitians, Speech Therapists, and related grades employed in the National Health Service."

9. The Government will look to the review body to give due weight to economic and financial considerations, as well as to the recruitment, retention and motivation of the staff concerned, and will submit evidence to them on these matters.

APPENDIX

LIST OF BODIES TO WHOM THE CONSULTATION DOCUMENT HAS BEEN SENT

Association of Hospital and Residential Care Officers
Association of Nurse Administrators
Association of Supervisory Midwives
Confederation of Health and Service Employees
General and Municipal Workers Union (MATSA)
Health Visitors Association
National and Local Government Officers Association
National Union of Public Employees
Royal College of Midwives
Royal College of Nursing
Scottish Association of Nurse Administrators
Scottish Health Visitors Association

Association of Clinical Biochemists
Association of Scientific, Technical and Managerial Staff
British Association of Occupational Therapists
British Dietetic Association
British Orthoptic Society
Chartered Society of Physiotherapy
College of Speech Therapists
Federation of Professional Organisations
Hospital Physicists' Association
Society of Chiropodists
Society of Radiographers
Society of Remedial Gymnasts

Regional Health Authority Chairmen and Regional Administrators, Medical Officers,
Nursing Officers and Treasurers,
Chairmen of Boards and Authorities in Scotland and Wales
Nurses and Midwives Whitley Council Management and Staff Side Chairmen & Secretary
Professional and Technical (A) Council Management and Staff Side Chairman &
Secretary
National Association of Health Authorities in England and Wales
Confederation of British Industry
TUC Health Services Committee
Scottish TUC

For Information

Association of County Councils
Association of Municipal Authorities
British Dental Association
British Medical Association
General Whitley Council
Convention of Scottish Local Authorities

~~Willy / Charlotte~~

~~PL get a que~~

PL get a question put down,

as in the
attachment
to D Clark's
letter home of
16 Feb

written - not priority - on Monday

- we shall probably answer on Tuesday.*

Already approved by PM; but let us
show her the answer in the usual way
so she is aware of the timing?

MCS 18/2

* depending on water works' posⁿ.



c. CO Not Head of
DRup. LPO
CDL Hunt
CS-Hunt

10 DOWNING STREET

From the Private Secretary

17 February 1983

NURSES' REVIEW BODY

Thank you for your letter of 16 February.

The Prime Minister agrees to answering a Written Question on the lines attached to your letter and to your Secretary of State circulating the draft consultation document attached thereto.

She has suggested one amendment to the consultation document: in paragraph 6 she would like to see "which was reflected in the Halsbury and Clegg Reports" deleted from line 7.

I am sending copies of this letter to the Private Secretaries to Members of E(PSP) and to Richard Hatfield (Cabinet Office).

M C. SCHOLAR

D.J. Clark, Esq.,
Department of Health and Social Security.

CONFIDENTIAL

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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

cc J.V.
Prime Minister ①
Agree to this
written PQ and
the consultative

Michael Scholar Esq
10 Downing Street

16 February 1983 *document*

Yes
(please note X)?
MES 16/2

Dear Michael

NURSES' REVIEW BODY

Thank you for your letter of 14 February.

I enclose a copy of the draft consultation document. Paragraph 7 has been amended as proposed in my Secretary of State's minute of 11 February, to take account of the Prime Minister's views on the handling of conditions of service and the future of the Whitley Councils. In other respects the draft is as circulated with my letter of 28 January, on which there were no comments.

| X

I enclose a copy of the draft of the associated announcement, which is also as circulated previously. My Secretary of State's assumption remains that the Prime Minister will wish to make the announcement herself - I should be grateful if you would confirm this, and perhaps we could then discuss timing.

I am copying this letter to the private secretaries to members of E(PSP) and to Richard Hatfield (Cabinet Office).

Yours ever,

David

D J Clark
Private Secretary

Q To ask the Prime Minister, what progress is being made with the establishment of a review body for nurses and midwives and health visitors and for the professions allied to medicine.

A The Government announced on 9 November 1982 that, provided that pay settlements for 1982/83 and 1983/84 were concluded, they proposed to establish a review body for nurses, midwives and health visitors and the professions allied to medicine. Pay agreements have now been reached and my rt hon Friend, the Secretary of State for Social Services, has today sent to interested organisations a consultative document about the detailed arrangements proposed for the new review body. Copies have been placed in the library. Comments are sought by [] and the review body will be set up and start work as soon as possible thereafter.

DRAFT

REVIEW BODY FOR NURSING AND MIDWIFERY STAFF AND PROFESSIONS ALLIED TO MEDICINE

1. In a statement in the House of Commons on 9 November 1982, the Secretary of State for Social Services announced that the Government proposed the establishment of a review body which would have the task of making recommendations about the pay of nurses, midwives and health visitors and the professions allied to medicine, and that consultations with interested bodies would shortly be undertaken on the detailed arrangements.

2. The Government proposes that the new review body should follow the same general pattern as the Doctors and Dentists Review Body. It may therefore be helpful to recall that the Royal Commission on Doctors and Dentists Remuneration which reported in 1960 identified three broad objectives: to avoid disputes over the remuneration of doctors and dentists; to provide an assurance to the staff concerned that their pay would be determined on a fair basis; and to provide fair treatment for the taxpayer. In order to achieve them, it recommended the establishment of a Doctors and Dentists Review Body. This is an independent body, with a secretariat provided by the Office of Manpower Economics, which report to the Prime Minister. It is free to determine its own method of working, obtain any information it requires and take evidence from interested parties. The Government has given an assurance that its recommendations will be accepted unless there are clear and compelling reasons for not doing so.

3. There are three important aspects of the Government's proposals relating to the establishment of the new review body on which interested organisations may wish to express views. These are: its composition and membership; the staff to be covered by its remit; and the terms of reference. Further details are given below. The Government is anxious that the review body should be established as quickly as possible so that it may have sufficient time to carry out the necessary groundwork prior to the submission of its first

report in April 1984. Comments are therefore requested by [] (DN we propose to allow six weeks from date of issue), and should be sent to []. A list of the bodies to whom the consultative document has been sent is in the appendix to this paper.

Composition and Membership

4. It is proposed that the review body should have a chairman and a maximum of seven other members, who would be appointed by the Prime Minister. The intention is that the review body should have some common membership with the Doctors and Dentists Review Body and the Armed Forces Pay Review Body.

5. Members of the review body would be appointed for their individual qualities. They should be completely independent, and none should be members of, or closely connected with, the professions whose pay is being reviewed. It is proposed that members should generally serve for a period of four years but may be reappointed for further terms.

Coverage

6. It is proposed that the review body should make recommendations about the pay of all qualified and unqualified staff whose pay and conditions of service are currently negotiated by the Nurses and Midwives Whitley Council and the full Professional and Technical 'A' Council. This approach would maintain the longstanding association between these groups in respect of their pay determination arrangements, ~~which was reflected in the Nalsbury and Clogg Reports.~~ The pay of groups currently negotiated in the wholly autonomous Sub-Committees 'A' and 'E' of the PTA Council would continue to be negotiated in the existing or an amended Whitley framework.

7. The review body would deal only with the remuneration of the groups concerned, leaving their terms and conditions of service to be negotiated elsewhere. Because of the important links between pay and terms of service, however, it would be necessary to make arrangements, similar to those which apply in relation to the Doctors and Dentists Review Body, for the review body to be kept fully informed of agreed or prospective changes in the terms of service, so

that it could have an opportunity, if appropriate, to express a view to the negotiators about the changes proposed in respect of their implications for pay. The Government proposes that the Department should be responsible for negotiating changes in the terms of service with staff interests and, jointly with those interests, for keeping the review body informed. In exercising these functions the Department would look for advice to NHS management.

Terms of Reference

8. The following terms of reference are proposed:

"To advise the Prime Minister on the remuneration, with effect from 1 April 1984, and subsequently, of:

- (i) Nursing staff, Midwives and Health Visitors employed in the National Health Service;
- (ii) Physiotherapists, Radiographers, Remedial Gymnasts, Occupational Therapists, Orthoptists, Chiropodists, Dieticians, Speech Therapists, and related grades employed in the National Health Service."

9. The Government will look to the review body to give due weight to economic and financial considerations, as well as to the recruitment, retention and motivation of the staff concerned, and will submit evidence to them on these matters.

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nat Health

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10 DOWNING STREET

c. HWT CSK
LPO D/Eup
D/Euw. CO
CS-HWT SO

From the Private Secretary

14 February 1983

MIO WO
CPRS CO

Review Body for Nurses and Related Groups

The Prime Minister was grateful for your Secretary of State's minute of 11 February about the detailed arrangements for the new Review Body for Nurses and Related Professions.

The Prime Minister agrees with your Secretary of State's proposals, and would be grateful for a sight of the draft consultative document which he is intending to issue.

I am sending copies of this letter to the Private Secretaries to the other members of E(PSP), the Secretaries of State for Scotland, Northern Ireland and Wales, to Gerry Spence (Mr. Sparrow's Office) and Richard Hatfield (Cabinet Office).

M. C. SCHOLAR

David Clark, Esq.,
Department of Health and Social Security.

CONFIDENTIAL

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PRIME MINISTER
 REVIEW BODY FOR NURSES AND RELATED GROUPS

Yes Mr
 Prime Minister (1)
 Agree these conclusions?
 Or would you like a discussion?
 No. MS 11/2

Your Private Secretary's letter of 4 February indicated your reactions to the Chancellor's minute of 27 January conveying the conclusions reached by the Ministerial Sub-Committee on Public Service Pay (E(PSP)) about the detailed arrangements for the new review body for nurses and related professions.

As regards coverage, there are strong arguments for including unqualified as well as qualified staff. Perhaps the most compelling is that we have always presented our commitment to seek improved pay determination arrangements as applying to all nursing staff, not just to qualified nurses; and you will recall that this was the basis of your meeting with the Staff Side of the Nurses and Midwives Whitley Council in December 1981. I do not think we could go back on this without exposing ourselves to a charge of bad faith. But there are other reasons too. First, I accept that there would be merit in winding up the Whitley Councils (see below); but this would not be possible if there was still a large group of staff whose pay had to be negotiated. Secondly, by putting the unqualified staff within the remit of the review body, we associate them with a very large body of (qualified) staff who do not take industrial action, and thereby reduce the likelihood of militancy. Finally, it is significant that, when I met the Chairmen of Regional Health Authorities last week, they were strongly of the opinion that it would be advantageous for the review body to handle the pay of all nursing staff. I hope, therefore, that you may feel able to endorse the conclusion of E(PSP) on this point.

As regards the terms of reference, I strongly share your view that they should be in line with those of the other review bodies. Whether the terms of reference of all of them should be amended is a separate question, which I hope we can handle separately. It would need careful thought, and in any event I doubt whether any action could be taken until after completion of the reviews which are now in progress. In the meantime, I am anxious not to incur any delay in issuing the consultative document about the nurses' review body. The pay settlement was concluded a couple of months ago, and I am not



surprisingly coming under increasing pressure to put forward the Government's proposals. This is now a matter of considerable urgency, and I should like to issue the document within the next ten days at the latest. I hope therefore that, at least for our immediate purpose, the suggested terms of reference can be on the same lines as those of the of the other review bodies in their present form.

This will not mean that we cannot deal effectively with the important point you make about market factors and affordability. These are crucial considerations, which we look to the members of the review body to keep in the forefront of their minds. I believe that the best method of underlining this, and of bringing the matter to general attention, will be to stress it in the statement which will be made when the Review Body is set up. I suggest that this will also be the most effective way of handling the equally important point made in your Private Secretary's letter that it is the nurses' unwillingness to strike which justified our decision to make special arrangements for handling their pay. This would make a greater impact than the inclusion of appropriate words in the terms of reference.

I discussed with Sir Robert Clark whether the Review Body should deal with terms of service as well as pay. He strongly advised against it, mainly on the ground that the additional burden of work, much of it very detailed, would be unacceptable, and that we should not be able to find people of the calibre we need who would be prepared to undertake it. I think this is right. Moreover, some of the issues which would arise - for example, the development of grading structures and agreeing definitions of the functions of each grade - raise very complex managerial questions, and would inevitably turn the review body into a negotiating forum, which would negate our intentions in setting it up. There would also be a loss of control which I should be reluctant to see. It will however be essential that, as with the Doctors' and Dentists' Review Body (DDRB), there should be close contact between those who negotiate terms of service and the review body about changes which have been agreed or are in prospect. Arrangements of this sort with the DDRB function satisfactorily, and can be developed for the new review body.



This is a matter to which they will have to give attention at the outset.

The need for these arrangements to work well has a bearing on your question about the future of the Whitley Councils. It would be preferable for the arrangements to be operated solely by my Department; and this suggests that they should be responsible for negotiating terms of service, with advice from NHS management as necessary. I therefore have in mind that the draft consultative document which has been circulated should be amended so as to propose the discontinuance of the Whitley Councils. We can if necessary consider the point further if there is a very strong hostile reaction.

If you are content with these proposals, I will amend the draft consultative document with a view to issuing it by the beginning of the week after next.

I am sending copies of this minute to the members of E(PSP), the Secretaries of State for Scotland, Northern Ireland and Wales, and to John Sparrow and Sir Robert Armstrong.

A handwritten signature in blue ink, appearing to be 'N.F.' with a flourish above it.

N.F.

11 February 1983

Next Health
yb

10 DOWNING STREET

c. D/M
CDL
CS, HMT
DHSS
DOE
LPO
+ Below
DES

+ MOD

From the Private Secretary

4 February 1983

Review Body for Nurses and Related Groups

The Prime Minister was grateful for the Chancellor's minute of 27 January, in which he set out the conclusions of the Ministerial Sub Committee on Public Service Pay E(PSP) on the composition, coverage and terms of reference of the Review Body for Nurses and Related Groups.

The Prime Minister has doubts about a number of aspects of these proposals. She would prefer the Review Body to cover only qualified staff and those in training. She is doubtful about the proposal that the Review Body should deal only with pay leaving other conditions of service to be negotiated separately. The Prime Minister has also enquired whether there will be any further need for a Whitley Council once the Review Body is in place.

On the terms of reference of the Review Body, Mrs Thatcher understands the argument that it is desirable to keep the terms of reference of all the Review Bodies in line with one another; but this leads her to the view that market factors and affordability should be included in the terms of reference of all the Review Bodies.

Finally, the Prime Minister has asked whether it would be possible in the preamble to the terms of reference to indicate that it was the nurses unwillingness to strike which had justified the setting up of the special arrangements for them; this would prepare the way for dismantling the Review Body if, subsequently, the nurses went on strike.

I am sending copies of this letter to the Private Secretaries to the Members of E(PSP), the Secretaries of State for Scotland, Northern Ireland and Wales and to John Sparrow and Sir Robert Armstrong.

M. C. SCHOLAR

Ms Margaret O'Mara,
H.M. Treasury.

B...

MR SCHOLAR

cc Mr Mount

PROPOSED CONSULTATIVE DOCUMENT ON THE NURSES' REVIEW BODY

I have only just seen the draft enclosed with the letter of 28 January from Mr Fowler's Private Secretary. I would like to make three points:

(i) Whether this announcement can be made at all depends on the Prime Minister's reaction to the proposals for the Review Body contained in the Chancellor's note of 27 January, on which I commented on 31 January. In particular, we need to decide whether market factors should be incorporated into the terms of reference;

(ii) The next question is whether this announcement should be made by the Prime Minister or by Mr Fowler. Mr Fowler suggests the Prime Minister, which I suppose could be defended in that she would appoint the Review Body's members and receive its reports. But it was Mr Fowler who announced on 9 November that there would be such a body, and it is to Mr Fowler that we would want reactions to the consultative document to be sent. I think he should make it;

(iii) It would be best to delete much of paragraph 2 of the draft. The DDRB precedent is by no means helpful, with its references to fair treatment and hangovers of the days in which pay was unrelated to market forces. All paragraph 2 needs to contain is a statement that the Government will expect the Review Body to take account of market factors, and a reference to the DDRB precedent that its recommendations will be accepted unless there are clear and compelling reasons for not doing so.


2 February 1983

CONFIDENTIAL

MR SCHOLAR

cc Mr Mount

THE REVIEW BODY FOR NURSES AND RELATED GROUPS

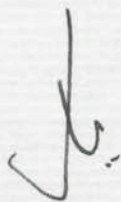
The Prime Minister mentioned this morning that she had doubts about two aspects of the proposals, summarised in the Chancellor's note of 27 January, for this Review Body:

(i) Coverage. Peter Gregson's group recommended, and E(PSP) endorsed, coverage consistent with the Government's commitment to seek an improved method of pay determination for nurses. I agree. It was never suggested that that commitment would apply only to qualified nurses, and the Prime Minister's meeting in 1981 was with the whole of the Whitley Council Staff Side, who negotiate on behalf of nursing auxiliaries and nursing assistants as well as qualified nurses. The Prime Minister is right to worry about the numbers involved - on top of the 277,000 qualified nurses, the Review Body will be covering another 222,000 student nurses and unqualified nursing staff. But excluding the latter would leave the Government (and the Prime Minister) open to charges of bad faith;

(ii) Market Factors. Ferdie and I would both have preferred to see a recommendation that the Review Body's terms of reference explicitly cover the need for market factors to determine the size of the pay award, and I argued for that in the Official Group. Mr Fowler believes, however, that this would be unnecessary and unhelpful, particularly because it would imply that the new Review Body was less independent than the others (and a very good thing too, in our view). We should be delighted if the Prime Minister were to ask the Chancellor to reconsider this point, but Ferdie and I concluded that it was not really worthwhile trying to get it changed, given the strength of Mr Fowler's feelings;

I am content with the other proposals for this Review Body.

The Prime Minister should also be aware that Mr Fowler will shortly be circulating to E(PSP) proposals for pay determination arrangements for other NHS groups. Mr Fowler made a commitment during the NHS pay dispute to enter into discussions with the unions about this; and the proposals which have been circulated at official level indicate that he is thinking in terms of a process of "constrained collective bargaining" very similar to the Megaw proposals for the Civil Service. A comparability process would establish a range in which negotiations would take place. I am not at all happy about his proposal, which looks as though it would take yet another large group of public servants into a comparability based system, and when Mr Fowler circulates his E(PSP) Paper we shall probably need to intervene.



31 January 1983

PF



PA

Prime Minister

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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

John Kerr Esq
Private Secretary to the Chancellor of the Exchequer

28 January 1983

I have told them
*
to stop this. You
have a minute

*
This is, I think,
anyway an announcement
for you not Mr Fowler.

from the Chancellor.

May I know your
decision please?

Dear John

Yes

Agree?

MCS 1/2

MCS 1/2

NURSES' REVIEW BODY

As agreed by E(PSP) on 25 January, my Secretary of State has asked me to circulate the enclosed drafts of the proposed consultation document on the nurses' review body and of the associated announcement. As you will see, the Secretary of State envisages that the Prime Minister may wish to make the announcement herself.

If we have received no comments on the drafts by close of business on Wednesday 2 February we shall assume that there are none.

Copies go to Michael Scholar (No 10), the private secretaries to other members of E(PSP), and to Richard Hatfield (Cabinet Office).

Yours ever,

D J Clark

D J CLARK
Private Secretary

I am still unhappy about
the terms of reference.

ms.

- Q To ask the Prime Minister, what progress is being made with the establishment of a review body for nurses and midwives and health visitors and for the professions allied to medicine.
- A The government announced on 9 November 1982 that, provided that pay settlements for 1982-83 and 1983-84 were concluded, they proposed to establish a review body for nurses, midwives and health visitors and the professions allied to medicine. Pay agreements have now been reached and my rt hon Friend the Secretary of State for Social Services has today sent to interested organisations a consultative document about the detailed arrangements proposed for the new review body. Copies have been placed in the library. Comments are sought by [] and the review body will be set up and start work as soon as possible thereafter.

DRAFT

REVIEW BODY FOR NURSING AND MIDWIFERY STAFF AND PROFESSIONS ALLIED TO MEDICINE

1. In a statement in the House of Commons on 9 November 1982, the Secretary of State for Social Services announced that the government proposed the establishment of a review body which would have the task of making recommendations about the pay of nurses, midwives and health visitors and the professions allied to medicine, and that consultations with interested bodies would shortly be undertaken on the detailed arrangements.
2. The government proposes that the new review body should follow the same general pattern as the Doctors' and Dentists' Review Body. It may therefore be helpful to recall that the Royal Commission on Doctors' and Dentists' Remuneration which reported in 1960 identified three broad objectives: to avoid disputes over the remuneration of doctors and dentists; to provide an assurance to the staff concerned that their pay would be determined on a fair basis; and to provide fair treatment for the taxpayer. In order to achieve them, it recommended the establishment of a Doctors' and Dentists' Review Body. This is an independent body, with a secretariat provided by the Office of Manpower Economics, which reports to the Prime Minister. It is free to determine its own method of working, obtain any information it requires and take evidence from interested parties. The government has given an assurance that its recommendations will be accepted unless there are clear and compelling reasons for not doing so.
3. There are three important aspects of the government's proposals relating to the establishment of the new review body on which interested organisations may wish to express views. These are: its composition and membership; the staff to be covered by its remit; and the terms of reference. Further details are given below. The government is anxious that the review body should be established as quickly as possible so that it may have sufficient time to carry out the necessary groundwork prior to the submission of its first

report in April 1984. Comments are therefore requested by
[] (DN we propose to allow six weeks from date
of issue), and should be sent to []
A list of the bodies to whom the consultative document has been sent
is in the appendix to this paper.

Composition and Membership

4. It is proposed that the review body should have a chairman and a maximum of seven other members, who would be appointed by the Prime Minister. The intention is that the review body should have some common membership with the Doctors' and Dentists' Review Body and the Armed Forces Pay Review Body.

5. Members of the review body would be appointed for their individual qualities. They should be completely independent, and none should be members of, or closely connected with, the professions whose pay is being reviewed. It is proposed that members should generally serve for a period of four years but may be reappointed for further terms.

Coverage

6. It is proposed that the review body should make recommendations about the pay of all qualified and unqualified staff whose pay and conditions of service are currently negotiated by the Nurses and Midwives Whitley Council and the full Professional and Technical 'A' Council. This approach would maintain the long-standing association between these groups in respect of their pay determination arrangements ~~(which was reflected in the Halsbury and Clegg Reports.)~~
The pay of groups currently negotiated in the wholly autonomous Sub-Committees 'A' and 'E' of the PTA Council would continue to be negotiated in the existing or an amended Whitley framework.

7. The review body would deal with the remuneration of the groups concerned. Their terms and conditions of service would be negotiated elsewhere. The Nurses and Midwives and the PTA Whitley Councils could retain this function, with or without amendments to their present composition; or alternative arrangements might be made. If the latter course were adopted there could be direct negotiations between the Department and the staff interests. Views will be welcome on the nature of the arrangements which should be made in both the long and the short term for the negotiation of terms and conditions of service.

Terms of Reference

8. The following terms of reference are proposed:-

"To advise the Prime Minister on the remuneration, with effect from 1 April 1984, and subsequently, of:

- i. Nursing Staff, Midwives and Health Visitors employed in the National Health Service;
- ii. Physiotherapists, Radiographers, Remedial Gymnasts, Occupational Therapists, Orthoptists, Chiropodists, Dietitians, Speech Therapists, and related grades employed in the National Health Service."

9. The government will look to the review body to give due weight to economic and financial considerations, as well as to the recruitment, retention and motivation of the staff concerned, and will submit evidence to them on these matters.

28 JAN 1963

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B

Prime Minister

(1)

Please see John Archer's note (attached).

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

Agree these proposals; or would you like a discussion, particularly on affordability and market factors?

PRIME MINISTER

THE REVIEW BODY FOR NURSES AND RELATED GROUPS

At its meeting on 25 January the Ministerial Sub-Committee on Public Service Pay (E(PSP))^{in box} considered the Secretary of State for Social Services' detailed proposals for the composition, coverage and terms of reference of the review body for nurses and related groups in the National Health Service (E(PSP) (83) 1st Meeting). The Secretary of State's proposals, which the Sub-Committee endorsed, are summarised in the following paragraphs.

M/S 3/11

2. The Sub-Committee agreed that it was necessary to establish a new review body and that it would not be practicable or desirable to bring the nurses and related groups within the terms of reference of the Doctors and Dentists Pay Review Body (DDRB). The present Chairman of the DDRB, Sir Robert Clark, is strongly of the view that the DDRB could not cope with the workload if its terms of reference were expanded to include the nurses and related groups; and the doctors and dentists would be opposed to such a proposal. The new review body would, however, have a degree of cross membership between the DDRB and also with the Armed Forces Pay Review Body (AFPRB); its members would be completely independent and none would be members of, or closely connected with, the professions within its terms of reference. Its Secretariat would, like that of the other review bodies, be provided by the Office of Manpower Economics.

3. The review body should deal with the pay of all those covered by the Nurses and Midwives Whitley Council and the professional

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groups whose pay has historically been dealt with along with that of the nurses and is currently dealt with by the Professional and Technical "A" Whitley Council. The professional associations, especially the Royal College of Nursing (RCN), are pressing for the review body to cover only qualified staff and those in training. The Government has however never suggested that the terms of reference would be tightly drawn in this way and to do so now would raise accusations of bad faith which it would be difficult convincingly to rebut. When the Government committed itself to seek an improved method of pay determination for nurses there was never any suggestion that it would apply only to qualified nurses. You will recall that your own meeting in December 1981 with the nurses was with the whole of the Whitley Council Staff Side. The Secretary of State for Social Services is satisfied, from informal consultations, that the RCN will be prepared to cooperate with the new review body on the basis proposed, although careful attention will be paid to the handling of this aspect.

4. The Secretary of State for Social Services envisages that the review body should deal only with pay (as is the case with the DDRB) leaving other conditions of service to be negotiated separately, initially in the Whitley Council but possibly in the longer term directly between the professions and the Department of Health and Social Security. The Sub-Committee was persuaded, on balance, that this was inevitable, since the workload on the review body would be too great if it had to deal in detail with conditions of service. Arrangements will be made, as in the case of the DDRB, for the review body to be kept closely in touch with any proposals for changes in conditions of service, so that these can be fully reflected in its recommendations. The Government's consultation document on the review body will leave open the question whether in the longer term the Whitley Council should be retained or whether negotiations on other conditions of service should be conducted directly with the Department. This is an aspect which will require further consideration in the light of the views expressed on the consultation document.



5. The proposed terms of reference are broadly similar to those of the existing review bodies, namely:

"To advise the Prime Minister on the remuneration, with effect from 1 April 1984 and subsequently, of:

(i) nursing staff, midwives and health visitors employed in the National Health Service;

(ii) physiotherapists, radiographers, remedial gymnasts, occupational therapists, orthoptists, chiropodists, dieticians and speech therapists, employed in the National Health Service."

6. You will recall that colleagues were concerned that the review body should be required to take fully into account in its recommendations market factors and affordability; and that it should be precluded from reopening the 1983-84 pay settlement or from proposing any form of substantial "catching up" increase. The Sub-Committee concluded that it was desirable to keep the terms of reference in line with those of the other review bodies. The Secretary of State will however make clear in the announcement, and in the consultation document, that the Government will expect the review body to give due weight to economic and financial considerations and to market factors. The Government's evidence will, in addition to dealing with these matters, state strongly the arguments both general and particular against a "catching up" increase. All these points will be stressed informally and at a very early stage to the Chairman and members of the review body, so that they will from the outset be in no doubt as to the Government's view.

7. It is intended that the Government should indicate that it would accept and implement the review body's recommendations "unless there are clear and compelling reasons for not doing so". This is the

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formula which has been used in the case of the DDRB and the other review bodies. It has enabled the Government to modify the recommendations in the DDRB's last two reports.

8. The Secretary of State intends to issue a detailed consultation document shortly with the aim of reaching final decisions in March and of establishing the review body shortly thereafter. If the review body is to present its first report in time for a settlement to be concluded by 1 April 1984, it will need to begin work soon. The Secretary of State will clear the text of the consultation document and of his announcement of the Government's proposals for the review body in correspondence with the Sub-Committee.

9. I am sending copies of this minute to the members of E(PSP), to the Secretaries of State for Scotland, Northern Ireland and Wales; and to John Sparrow and Sir Robert Armstrong.

(G.H.)

27 January 1983

NHS ! Nurses pay Pt 2.



31 JAN 1993



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11

Prime Minister

SECRET

①

3 November 1982

Policy Unit

not Health 10

PRIME MINISTER

*The nurses review body point
is now water under the bridge. Agree to it?*

CABINET, 4 NOVEMBER: INDUSTRIAL RELATIONS: PAY

rus 3/11

Mr Fowler's proposals on nurses' pay, the miners' ballot result, and the decisions needed on the Megaw report raise far-reaching and fundamental issues about the Government's approach to pay and industrial relations. We see a clear risk that decisions are going to be taken which will set in concrete existing assumptions and expectations about pay. These run counter to what is needed to increase employment.

The Industrial Relations Background

We have achieved a significant and probably permanent shift in the balance of power, towards employers and away from unions. The unions have declining membership; increasing financial difficulties; and no role in Government. The three constituent elements of the triple alliance have each in turn been defeated - the steel workers after a long and fruitless strike in the first half of 1980, the railway workers after two strikes earlier this year, and the miners' executive has twice running been contradicted by the membership. Public service unions are even less effective: whatever the direct costs of the civil service strike of 1981, one clear benefit is that the civil service unions will be most reluctant to stage a repeat performance; and the health service unions show every sign of having no idea how to keep up the momentum of their industrial action. In the private sector, there have been few serious disputes in the lifetime of this Government, because the consequences in lost jobs are all too clear.

Now is the time, therefore, to follow up this advantage on all fronts: to give not an inch to those unions, such as NUPE, whose backs are to the wall; and to drive the hardest possible bargain with those, such as the water workers, who still have disruptive potential.

The Longer Term

And now is the time to think of the longer term, and the next Parliament, during which we must get away from automatic annual pay increases, if we are to get our unit labour costs down to those of our competitors. We must prepare the ground for low multi-year settlements; for the end of the concept of the pay round; for greater regional pay differences; and, above all, for any pay increases to be linked to performance. The Government will be giving up all hope of taking a lead in these developments if it goes on putting more and more of public sector pay into the hands of arbitrators, review bodies, and Megaw-type systems. Affordability and market factors, the corner stones of our policy, will disappear from sight, to be replaced by an ever more pervasive, and ever less realistic, going rate.

Present Issues

Against that background it is clear to us that to offer the nurses a review body is unnecessary and undesirable. It is unnecessary because it is the unions, not the Government, who need a way out of the dispute, and because there are other and less damaging ways of meeting the Government's commitment to the nurses (these were covered in John Vereker's earlier note, which you have seen). It is undesirable because it takes a very large number of public servants out of market-determined pay, and almost certainly sets a norm for the whole NHS.

Structuring the pay offer so as to provide 12.3% from August 1982 to March 1984, which Mr Fowler will propose, is also undesirable. He has authority to offer 7½% for this year and 4½% for next and it is far better to stick to those, defensible, figures than to put over 12% into circulation. And even if a Review Body/12.3% deal were to prove acceptable to the nurses, we still continue to doubt whether settling with the nurses makes it easier to settle with the TUC affiliates. It is not the nurses who are on strike.

Megaw will no doubt come to Cabinet separately. But it hangs like a shadow over all discussions of public service pay. The Chancellor's Committee, MISC 83, is recommending it. If we have to have it, it must be made consistent with our longer term objectives by the inclusion of satisfactory safeguards, including provision for temporary suspension at reasonably short notice.

Finally, the outcome of the ballot on miners' pay raises several questions about the future handling of coal issues. The most immediate is the point on which we understand Mr Lawson will be writing round today: how to get into circulation the fact that the pay offer amounts to only 6½% on average earnings. There are still dangers with the miners, especially over pit closures, and we should avoid allowing Scargill to accuse the NCB of bad faith. Bernard thinks it would be right to go as far as arranging a written PQ, the answer to which would contain the right figure, and drawing the media's attention to it. We agree.

I am sending a copy of this note to the Chancellor of the Exchequer.

fm

FERDINAND MOUNT



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

PRIME MINISTER

PAY ARRANGEMENTS FOR NURSES AND RELATED NHS GROUPS

The Ministerial Sub-Committee on Public Service Pay had a discussion on 1 November (E(PSP)(82)6th Meeting) about possible ways of implementing our commitment to "search for agreed and durable long-term arrangements" for the pay of nurses and certain other National Health Service (NHS) groups (midwives, health visitors and some of the professions supplementary to medicine). We took as the basis for our discussion a report on the options available by the Official Committee on Public Service Pay (E(PSP)(82)22). The report examined three main options: the existing free collective bargaining arrangements supplemented by systematic data collection and/or arbitration by agreement; constrained collective bargaining on similar lines to that proposed in the Megaw Report for the Civil Service; or a pay review body.

2. The Secretary of State for Social Services argued strongly in favour of a review body on the grounds that an offer of merely modest improvements in the existing arrangements would be inconsistent with the Government's commitments to the nurses; that a review body would avoid the delay and complications involved in trying to set up a Megaw-type system for the nurses while negotiations on similar issues were in progress with the Civil Service; and that a review body could be held to be particularly appropriate for the nurses and related groups, by analogy with the existing Doctors and Dentists Review Body (DDRB), on the grounds of professional status and attitudes to taking industrial action. Although you had told the nurses at your meeting with them on 18 December 1981 that you hoped that new arrangements would be in place for 1983, the review body's recommendations would take effect from 1 April 1984.

3. The Secretary of State for Social Services also proposed that the offer of a review body should be announced along with the revised pay offer for the nurses and related groups for which he would be seeking authority from the Cabinet on Thursday 4 November, with a view to enabling the Management Side of the Nurses and Midwives Whitley Council to table new proposals at their meeting on 9 November. The revised offer, like that tabled on 16 September, would cover the two years to 31 March 1984. The improvement would consist of

of SV 9

Prime Minister (1)

Mr Fowler and

Ken Clarke

are coming for a

word at 1700

tomorrow.

MW 2/11

[Handwritten signature]

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the extra $\frac{1}{2}$ per cent in respect of 1983-84 which had been envisaged as a margin for negotiation on the 16 September offer.

4. The Sub-Committee agreed, albeit with some reservations, that it would be desirable to offer a review body to the nurses and other groups. They were reluctant to see the extension of non-market pay determination machinery to such a large proportion of the public services (around $\frac{1}{2}$ million staff) and they foresaw problems in reconciling the review body's recommendations with cash limits, bearing in mind the difficulty of overriding recommendations in respect of the nurses, and the high proportion represented by pay within the overall NHS cash limit. On the other hand, the Sub-Committee felt that the remaining options were even less attractive. The statistics (Annex C of E(PSP)(82)22) indicated that the operations of the DDRB had not over time led to excessive remuneration for its groups. Unless a review body was offered, the nurses would be likely to press for a single-man inquiry into their pay arrangements and this would have unpredictable and probably unwelcome consequences.

5. The Sub-Committee considered that the offer of a review body should be subject to the following conditions and qualifications:

- i. it should be conditional on acceptance by the nurses and related groups of the revised pay offer;
- ii. the review body should have no scope to examine the adequacy of pay before 1 April 1984; the levels in force at that date would be the basis for its future recommendations and it should be precluded from proposing a "catching-up" increase on the grounds that the pay levels of the groups within its terms of reference had fallen behind those of other groups;
- iii. in making its recommendations, the review body should be required to take account of management needs in terms of recruitment, retention and motivation, and affordability; its recommendations would be subject, like those of other review bodies, to override on occasion; and implementation would have to be considered in the light of the cash limit, as with other review bodies;



- iv. detailed proposals for setting up the review body (covering terms of reference, membership and other matters) would need to be approved by Ministers as soon as possible,
- v. it would need to be made clear publicly that the offer of a review body reflected the special status of the nurses and related groups and that the Government would not think similar arrangements appropriate for other groups either in the National Health Service or elsewhere in the public services.
6. The Sub-Committee also considered that, before any new pay offer was made to the nurses and related groups, there should be a very high probability of acceptance, and of agreement in due course in the Whitley Council machinery, despite opposition from the affiliated trade unions. The Secretary of State for Social Services is confident that on this occasion there will be a recommendation for acceptance by the Council of the Royal College of Nursing (RCN) and, although there will be a need for them to consult their members, he is hoping that the RCN will not consider it necessary on this occasion to have a ballot.
7. The presentation of any new pay offer is clearly of vital importance. The Sub-Committee considered that the Government should not only make it clear that there had been no new money offered in respect of 1982-83, but should also seek to avoid the impression of a double-figure offer and to minimise any adverse repercussions of the provision for 1983-84 on the new pay round. It might be helpful to indicate that the marginal improvement in respect of 1983-84 would have to be financed in due course by improvements in efficiency. The Secretary of State for Social Services will be putting forward his latest ideas about the shape and presentation of the revised pay offer to the Cabinet on 4 November. He will also be giving his latest assessment of the prospects of a settlement with the remaining NHS groups. It must be assumed that any marginal improvement in the offer made to the nurses and related groups will have to be available in due course to the other NHS groups, but the timing of such an offer remains for consideration.
8. I am sending copies of this minute to members of E(PSP), to Mr Sparrow and to Sir Robert Armstrong.

G.H.

(G.H.)
2 November 1982

E1 NOV 1982



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

Nat Health

Nurses pay

Handwritten red mark or stamp in the bottom right corner.

SECRET

MR SCHOLAR

8 27 October 1982

cc Mr Mount
Mr Walters

Not: Health

PAY DETERMINATION ARRANGEMENTS FOR NURSES

I participated in the work of the Official Group which has now submitted its report to E(PSP) on permanent new pay arrangements for nurses and related groups; and I agree that there are three possibilities, as summarised in paragraph 33. But I would like to draw the Prime Minister's attention to what we see as the dangers of going for option (iii) - a Pay Review Body.

These problems are summarised in paragraph 32 of the report. First, a Review Body may make recommendations higher than can be afforded from the cash limit. Second, a Review Body award for a group as large as the nurses would inevitably be taken as the going rate for the NHS as a whole. Third, and more generally, establishing yet another Review Body, and one with such wide repercussions, would substantially reduce the Government's control over public service pay and would thus be a move in the opposite direction to that which we are seeking elsewhere.

Nor, in my judgment, will giving the nurses a Review Body, in order to reach a settlement over the current dispute, contribute to a settlement of the NHS dispute as a whole. Indeed, I would expect Bickerstaffe to raise his sights as a result of yet further special treatment being given to the nurses; and resistance to the present pay offer might well be hardened.

But if it is not to be a Pay Review Body, what can the nurses be offered? I think the best course is option (i). (Option (ii) is, of course, essentially a Megaw-type system.) The nurses could be told that after extensive discussion with them, and careful examination of all possibilities, the Government has concluded that the best method would be free collective bargaining in the context of the Whitley system; and that to give it permanence and structure, the Government proposes systematic data collection, and access to binding arbitration by mutual agreement. If the nurses were to reject such an offer, the Government's position would be all the stronger. And I think such a system is perfectly consistent with the commitments that have been made by Ministers, as summarised in Annex B of the paper.

This would be represented as the absence of any permanent arrangements. MGS

J.V.
JOHN VEREKER

SECRET

ACTION

Prime Minister (2)

To note.

This paper canvasses 3 options

for long term nurses' pay: ---

(i) free collective bargaining + data
collection(ii) a Megaw-type system

NOTE

The circulation of this memorandum has been restricted. Recipients are accordingly asked to ensure that the secrecy of its contents and the need to know principle is strictly observed.

(iii) a Review Body:

Mr Fowler will be arguing for (iii) and will hope ^{so} to persuade you after E (PSP) on Monday next week.

John Verchev's note (Flag A) gives the Policy Unit view.

I fear that the nurses will ask (and that Mr Fowler will be tempted to concede) that the new arrangements start in autumn 83, so that there will be pressure for the 11% offer to last only for 12 months.

MR RICKETT

cc Mr Scholar ✓
Mr Ingham
Mr Mount

QUESTIONS: "NURSES TO BE OFFERED 12%"

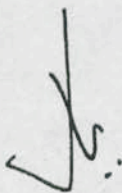
The continuation of this story is highly damaging: it raises expectations in the NHS, making it more difficult to settle with them; and it probably helps Mr Scargill by appearing to legitimise his claim for more than 8.2%. Bernard has repeatedly denied it in the Lobby, but it can probably be laid permanently to rest only by the Prime Minister.

I hope she can make two points:

(i) If the 4% offered for next year is added to the 7½% offered for this year, the deal must run until April 1984, no matter when it takes effect; and

(ii) Nurses' earnings in relation to women's earnings generally have not much changed over the last ten years, save for the Halsbury and Clegg awards. So the nurses' leaders have no grievance.

I attach figures illustrating the second point, which we have obtained from the Department of Employment; and a suggested speaking note.



19 October 1982

NURSES' PAY

	Av. weekly earnings of full-time nurses	Av. weekly pay of all full-time women	Nurses as % of all women
(April) 1971	£20.7	£18.3	113%
1972	£23.1	£20.1	115%
1973	£24.2	£23.1	105%
1974	£26.3	£26.9	98%
1975	£45.7 (Halsbury)	£37.4	122%
1976	£53.9	£46.2	117%
1977	£57.5	£51.0	113%
1978	£58.2	£56.4	103%
1979	£66.1	£63.0	105%
1980	£87.4 (Clegg)	£78.8	111%
1981	£98.4	£91.4	108%
1982	£105.3 ¹	£99.0 ²	106%

¹ Assumes 7½% for 1982, offset by slightly fewer hours worked.

² Not published until 21 October.

(i) As my RHF the Secretary of State repeatedly made clear yesterday, our decision on resources available for NHS pay this year is final, and would allow pay increases of between 6% and 7½%. Higher figures could be obtained only by adding in the resources available for next year. If that is done, the deal must run until April 1984, no matter when it takes effect.

(ii) As for the nurses, let me make one point about which there is I think still some misunderstanding. Nurses have not fallen behind. Nurses' earnings in relation to women's earnings generally have not much changed over the last ten years, save for the Halsbury and Clegg awards. So whatever is motivating the nurses' leaders, it cannot be genuine grievance.



*Not health
file DW*

10 DOWNING STREET

THE PRIME MINISTER

10 September 1982

Dear Mr. Clay,

Thank you for your letter of 9 September. I share the concern of the Council of the Royal College of Nursing about any prospect of further industrial action in the Health Service which, as you say, would affect the care of patients. To take such action would be totally contrary to the traditions of the nursing service in this country, and I greatly hope that the nurses will not take part in it.

The Government's record does not support any contention of unfair treatment by the present Government. Between March, 1979 and this year's pay settlement date nurses pay had increased on average by 61 per cent before the latest offer, 12 per cent more than the increases in prices over the same period. Numbers of nursing and midwifery staff have increased by 41,000 between 1979 and 1981. The combined effect of this increase in numbers and the increase in pay, including a reduction of the standard working week from 40 hours to 37½ hours, has been to increase the nurses pay bill from under £1½ billion in March, 1979 to over £2½ billion in March, 1982, an increase of 82 per cent.

The offer made to the nurses is higher than that accepted by the other large groups of public service workers. I am convinced that it would not be right to ask the taxpayer to make even more money available. The way forward is for negotiations

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clay

-2-

to be resumed through the normal machinery on the basis of the offer which the Government has made.

Yours sincerely,

Margaret Thatcher

Trevor Clay, Esq.

LPO



10 DOWNING STREET

Prime Minister

Mr. Clay's letter
reached us too late for me
to be able to clear the
attached reply with DHSS
tonight. If you are
content with the line, I will
clear it with DHSS in the
morning and re-submit if
they want to suggest any
amendments.

F.R.B.

9.9.



Patrons: Her Majesty the Queen
Her Majesty Queen Elizabeth the Queen Mother
Her Royal Highness the Princess Margaret,
Countess of Snowdon

Royal College of Nursing

of the United Kingdom

Henrietta Place, London W1M 0AB
Tel: (01) 409 3333

Telegraphic address: Remedial London W1

9 September 1982

In reply please quote:

The Rt. Hon. Mrs. Margaret Thatcher, P.C., M.P.
10, Downing Street
London SW1

Dear Prime Minister,

The Council of the Royal College of Nursing of the United Kingdom meeting today is appalled at the prospect of further widespread damage to the National Health Service which will be caused by continuing and escalating industrial action. In the situation which is expected on the 22nd of September, adequate patient care cannot be guaranteed. The Council is disgusted at the Government's refusal to respond to the Rcn's most recent initiative following the ballot result, and the apparent lack of concern at the impending crisis. The Rcn Council believes that the recall of Parliament is imperative. It therefore seeks an urgent meeting with you to discuss the whole situation and the need for immediate Government action.

Yours sincerely,
Trevor Clay

Trevor Clay
General Secretary

SEP 9 1982

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

FCM

Faculty of Commerce
University of Manitoba



Not-Health



10 DOWNING STREET

Prime Minister

Cabinet

You agreed that NHS
sympathetic action / disciplining
civil servants might be raised
briefly at Cabinet.

Content to have the Attorney
General and Lord Advocate
present for this item?

MLS 7/7

CONFIDENTIAL

Ref. A08940

PRIME MINISTER

Industrial Affairs

There are three items for discussion:

- i. the British Rail dispute;
- ii. the National Health Service dispute;
- iii. sympathetic industrial action by civil servants
(with particular reference to ii).

On iii. the Chancellor of the Exchequer has circulate a minuted dated 6 July reporting the conclusions of the Ministerial Group on Current Industrial Disputes (MISC 80) and is seeking clearance from the Cabinet for certain action to be taken by the end of this week.

MAIN ISSUES

British Rail

2. MISC 80 will be meeting immediately before Cabinet to review the British Rail dispute. The main issue at present is the policy which the British Railways Board (BRB) should adopt towards lay-off.

3. As the Cabinet is aware from last week's discussion the BRB is obliged under the 1919 Guaranteed Week Agreement to pay guaranteed standard wages for 8 hours per day and 40 hours per week to all its NUR and ASLEF employees who report for work; employees who are on strike or are not prepared to cross picket lines do not have to be paid. At present therefore the BRB is having to pay nearly all its NUR employees and some of its ASLEF employees, as well as all its white collar staff. It is however able to run only limited services

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and to earn little revenue. Lay-off of the NUR employees and any ASLEF members who are coming to work would save the BRB about £13 million per week.

4. On the other hand the BRB needs to allow time for ASLEF members to drift back to work in such numbers as might break the strike. Moreover NUR members have gained considerable public sympathy by forcing the calling off of their own strike and by their efforts to keep the railways in operation. Finally, as Ministers have agreed, the BRB would be liable to be sued by individual railwaymen for their guaranteed wages and would be likely to lose such an action. Lay-off could therefore transform the public perception of the rights and wrongs of the dispute. In so far as the BRB justified its actions by pleading the financial constraints imposed by the Government, the Government might attract criticism also.

5. The Chancellor of the Exchequer will report to the Cabinet on the latest view reached by MISC 80 on this issue; this will take account of a discussion which the Secretary of State for Transport will have had with Sir Peter Parker about the BRB's current thinking.

6. On action to mitigate the effects of the dispute, the Home Secretary will be holding a meeting of the Civil Contingencies Unit at Ministerial level in the early afternoon following Cabinet. The arrangements to cope with commuter traffic appear to have worked well but the CCU will be considering whether any changes would be desirable at the margin.

NHS dispute

7. It is unlikely that there will be significant new developments to report. The next crucial step will be the meeting of the Nurses and Midwives Whitley Council on 13 July. The TUC Health Services Committee has called a 3-day strike in the period 19-21 July but has asked ACAS to intervene. The Secretary of State for Social Services might be asked whether ACAS is likely to be active.

8. The other aspect of the NHS dispute concerns sympathetic industrial action. Sympathetic action by Civil Servants is dealt with separately below. There is

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however the question of legal redress under the Employment Act 1980 against those involved in the secondary picketing of hospitals. The Secretary of State for Social Services has reported to MISC 80 that local health authorities have been asked to consult Ministers before they decide to take legal action and that they are likely to do so only if secondary picketing is severely damaging treatment to patients.

Sympathetic industrial action by Civil Servants

9. The main points in the Chancellor's minute of 6 July are as follows:

- a. The Government's strategy should be to take, and be seen to take, firm and resolute action, but not to over-react in a way which would play into the hands of the unions.
- b. Where misconduct is involved of an overtly political or abusive nature, disciplinary charges should be brought in blatant cases where a charge is likely to stick, bearing in mind both legal and political considerations.
- c. In cases of unauthorised absence, the normal disciplinary procedures should apply; in addition to the deduction of pay (which is automatic) written warnings should be sent to the staff who absented themselves on 23 June, and this will become widely known as a deterrent to future offenders; repeated offences will attract penalties ranging from formal reprimand to dismissal in the most serious cases.
- d. All Civil Service managers should receive instructions making clear the relevance of the disciplinary procedures to sympathetic industrial action.
- e. More generally, the Civil Services rules of conduct, including political activity, should in due course be reviewed in the light of present day circumstances.

10. The essential point about the proposed policy is that unauthorised absence for the purposes of sympathetic industrial action is treated like unauthorised absence for any other purpose and will attract the appropriate disciplinary

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response. This is not a change of policy but merely the application of an existing policy to a novel situation. The message which the Government has to put across, without giving wider currency within the Civil Service to the idea of action in support of the NHS workers is that, although Civil Servants are not, for good practical reasons, disciplined for absenting themselves in pursuance of a dispute within the Civil Service, but merely suffer a deduction of pay, this does not apply to unauthorised absence for sympathetic industrial action.

11. In relation to the blatant cases of misconduct, the Chancellor, in his minute of 6 July, suggests that the Secretaries of State for Social Services and Employment may report their conclusions orally on certain cases. He had in mind particularly the case of Mr Kevin Roddy, National President of the Civil and Public Services Association, who is a Clerical Officer on the staff of the DHSS with 100 per cent facility time. It is not clear how far Mr Fowler will in fact wish to say anything about this case, which is primarily a management matter for his department. The Cabinet will however wish to be assured that, in deciding what action should be taken, the political and presentational aspects will be given due weight.

Mr Fowler strongly wishes that there will be no discussion of Mr Roddy

- because discussion, if known, might prejudice the government's case before e.g. an industrial tribunal and might give rise to Opposition charges that there was political interference with a Civil Service management matter.

12. On British Rail you will wish to call for a progress report from the Secretary of State for Transport. The Chancellor of the Exchequer may wish to report on the latest conclusions of MISC 80. It should not be necessary to ask the Home Secretary to report on contingency arrangements, unless some particular point of difficulty is raised.

MCS
7/7

13. On the National Health Service dispute, you will wish to ask the Secretary of State for Social Services whether there are any new developments.

14. On sympathetic industrial action by Civil Servants, you will not wish to encourage a lengthy discussion since the ground was thoroughly covered by Ministers concerned in MISC 80. You might ask the Chancellor of the Exchequer to refer briefly to his minute and ask whether there are any dissenting voices.

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CONCLUSIONS

15. You will wish to reach conclusions in particular on the following matters:

i. (if a decision is called for at this stage), on any guidance to be given to the British Railways Board on lay-off;

ii. on the specific steps at the end of this week proposed in paragraph 6(i)-(iii) in the Chancellor of the Exchequer's minute about sympathetic industrial action by the Civil Servants.

REA

ROBERT ARMSTRONG

7 July 1982

Top copy held on Transport: B.R. P.S.

CONFIDENTIAL

Prime Minister

ML 7/7

PRIME MINISTER

cc Mr Mount
Mr Walters
Mr Ingham

Cabinet, 8 July: Industrial Affairs

There are three current issues which Cabinet will no doubt wish to consider:-

Industrial Action on the Railways

The only issue for Ministers at present is whether to intervene in the decisions the Board has to take about laying off NUR members for whom there is no work, or dismissing ASLEF drivers and offering to re-employ them on different terms. We think that these are tactical issues which must be left up to the Board. The Government is at present in a strong position, standing well back from the tactics, enjoying a good deal of media support in its handling of the strike, and reaping the longer term benefits of the wide public perception that union leaders cannot always deliver on their threats - and that the threats are not so threatening after all. The balance of advantage in handling NUR lay-off and ASLEF dismissal will become clearer as the strike progresses; meanwhile, we are sure BR is right to do nothing which may hinder the possibility of a successful war of attrition, in which the commuters hold out and the drivers gradually drift back to work.

The NHS Pay Dispute

I am concerned at the expectations aroused in the media by the latest intervention of ACAS. You, and indeed Mr. Fowler, have made it clear that our increased offer to the various NHS groups is final, but this is not yet sufficiently widely believed. I think that our latest offer is entirely defensible in all its elements, and commands widespread public support. We should now be absolutely rock solid in not contemplating any further movement at all, and it would be helpful if Cabinet were to agree that that is the case, and that it should be made clear on every possible occasion.

You haven't, I think, found an occasion to do this yet, except for the nurses.
ML 7/7

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/Sympathetic Industrial

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-2-

Sympathetic Industrial Action by Civil Servants

You will have seen the Chancellor's note to you of 6 July, reporting the conclusions of MISC 80. Mr. Tebbit and Mr. Fowler argued strongly in MISC 80 for the written warning against unauthorised absence being sent to all civil servants, and not just those who supported the last NHS industrial action. But we think the majority in MISC 80 was right: as a disciplinary offence, unauthorised absence is the same whether it is for the purposes of sympathetic action or anything else, and it would be extraordinarily heavy-handed of management to send a letter to all civil servants containing a threat of dismissal in the event of any further unauthorised absence. The present proposal does give everyone a "free bite", but it should have a significant deterrent effect. But it would be helpful if Cabinet were to agree that there will be no leniency in the treatment of subsequent offenders: if individuals are warned, and repeat their sympathetic industrial action, then a significant disciplinary penalty must follow.



7 July 1982

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Prime Minister

The Chancellor

*suggests discussion at
Cabinet on Thursday*

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

*of these proposals for
disciplining civil servants*

PRIME MINISTER

*Agree?
MCS 6/7
Yes - but not if it means a total disruption
of work. Should there
never be
delegated*

NHS DISPUTE: SYMPATHETIC INDUSTRIAL ACTION BY CIVIL SERVANTS

On the occasion of the one-day strike in the National Health Service on 23 June some 550 staff, from the Departments of Employment and Health and Social Security, absented themselves to take industrial action in support of the health service unions. Further industrial action is planned in the NHS for the three days 19-21 July. We have been considering in the Ministerial Group on Current Industrial Disputes (MISC 80) how best to discourage civil servants from taking further sympathetic industrial action in the period 19-21 July and, more generally, how to prevent the practice spreading in the Civil Service of taking industrial action in support of disputes outside the Civil Service.

2. We are agreed that the right strategy is for the Government to take and be seen to take firm and resolute action but not to over-react in a way which would play into the hands of the unions. We therefore considered how existing Civil Service disciplinary procedures could be brought to bear most effectively on the situation. The staff who took part in the action on 23 June have already had a deduction of pay for the period of absence. This follows automatically and does not require the use of disciplinary procedures. The question for consideration is

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how far disciplinary action, which might begin with a written warning and then range from formal reprimand to loss of increments, suspension with pay and downgrading to dismissal, might be imposed and, if so, what steps would be necessary to bring this about.

3. We distinguished between the following two categories of offence:

- a. cases involving misconduct of an overtly political or abusive nature;
- b. cases involving only unauthorised absence or failing to work as directed.

4. In cases of misconduct disciplinary charges can be brought without warning and the full range of disciplinary penalties, as appropriate, is available. We are agreed however that action should be concentrated against blatant cases where the activity and evidence is such that a charge is likely to stick. Each case will need to be looked at carefully both to make sure the Government's case is legally sound and to assess the political aspects. Certain cases relating to 23 June are already under urgent consideration and the Secretaries of State for Social Services and Employment will be reporting their conclusions orally to the Cabinet on Thursday.

5. With a few exceptions however, the offences fall into category b. above, i.e. unauthorised absence or failing to work as directed. Where such action is taken in pursuance of an industrial dispute within the Civil Service, it has been accepted that disciplinary procedures would not be appropriate. Where unauthorised absence occurs for some other reason the disciplinary action in relation to an isolated

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offence is usually not more than a written warning. Where an offence is repeated more serious penalties might be applied. We considered whether unauthorised absence for the purpose of sympathetic industrial action should be treated differently from unauthorised absence for some other purpose. There are bound to be real practical difficulties in pursuing this course. Some staff might claim that their absence was for some recreational purpose. It would also be possible for the unions to arrange industrial action in the Civil Service during the period 19-21 July which was primarily linked to Civil Service issues and was only secondarily in support of the NHS dispute. But we did not feel that these difficulties could stand in the way of all action.

6. We therefore agreed that the right approach in the cases of unauthorised absence was as follows:

i. the staff who were absent on 23 June should now receive a written warning; any of these staff who were absent again during the period 19-21 July or on some other future occasion would then be liable to disciplinary action involving penalties ranging up to dismissal in the most serious cases, if circumstances were thought to justify this;

ii. although there would be no general announcement, the issue of such written warnings would be likely to become widely known;

iii. all Civil Service managers would receive instructions drawing their attention to the fact that absences in pursuit of sympathetic industrial action

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and breaches of conduct were liable to be dealt with under disciplinary procedures and requiring them to record and report to their Principal Establishment Officers the names of staff concerned.

7. We also considered whether it would be desirable to go further and issue individual notices to staff who did not take action on 23 June, either to all staff in the two Departments affected, or to all Civil Servants, making it clear that sympathetic action taking the form of unauthorised absence or refusing to comply with a legitimate instruction would be an offence, liable to be dealt with under the disciplinary procedures. The case for such a notice was argued on two grounds. First it was suggested that such individual notices were necessary to ensure that future first offenders, as well as those who took action on 23 June, were eligible for the full range of disciplinary penalties, including those for which a prior warning should be given so as to avoid any appeal to an Industrial Tribunal, i.e. dismissal and any penalties which might be regarded as constructive dismissal. This might be necessary to discourage the unions from deliberately using the tactic that further industrial action on 19-21 July would be taken by different staff from those involved on 23 June. Secondly, a notice to all staff might strengthen the perception of the Government's resolve in countering sympathetic industrial action by its own employees.

8. Against this it was argued that sympathetic action had been confined so far to a small percentage of staff in two Departments. Sending notices to several hundred thousand Civil Servants in all Departments might actually stimulate

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sympathetic action where none would otherwise have occurred. The restriction of the range of penalties available for first offenders was not thought to be a serious constraint. It seemed likely that a written warning, formal reprimand or some other penalty short of constructive dismissal would in any case be the appropriate response for such cases. It was also at least arguable (although the point should be further considered) that the issue of written warnings to staff who took action on 23 June might be held to constitute some kind of indirect warning to those contemplating similar offences in the future. The deterrent effect, and the demonstration of the Government's firmness of purpose, should be adequately achieved when the written warnings to the staff who took action on 23 June became widely known.

8. We therefore concluded on balance that the right course was not to issue a general warning notice to all staff but to rely on the steps set out in paragraph 6i-iii above. The position would need to be reviewed again in the light of experience over the period 19-21 July. We are also agreed that, quite apart from the problem of sympathetic industrial action, Civil Service rules of conduct including political activity should in due course be reviewed in the light of present day circumstances.

10. If colleagues agree with these proposals - and I suggest that we consider them in Cabinet on Thursday - we should proceed at the end of this week with the issue of written warnings to the staff who took action on 23 June, and instructions to managers, so that the position is clear in good time before the NHS action on 19-21 July.

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11. I am sending copies of this minute to all members of the Cabinet, to the Attorney General, the Lord Advocate, the Minister of State, Treasury (Mr Hayhoe), Mr Sparrow and Sir Robert Armstrong.

(G.H.)
July 1982

Prime Minister

(2)

The remarks on p4 seem to be not miscalculated. Plus 10/6 Health

KENNETH CLARKE (HEALTH MINISTER). Nurses' Pay - Longterm Prospects.

Transcript from BBC Radio 4, Today Programme. 10 June 1982.

PRESENTER: JOHN TIMPSON.

TIMPSON: The Social Services Secretary, Mr Norman Foulter, met representatives of the Royal College of Nursing yesterday to hear their case for a better pay offer than the 6.4% that's now on the table. The nurses said, afterwards, that they had not got a commitment to more money but nor had they got an outright rejection. What they had all agreed about, though, was the need for a long term arrangement for nurses' pay. Mr Foulter said that he wanted to make progress as quickly as possible on this and the first meeting on the subject takes place today under the chairmanship of the Health Minister, Mr Kenneth Clarke, who is with me now.

Now Mr Clarke, a meeting within 24 hours of Mr Foulter saying that seems very fast work for a Government Department; presumably this has been in the pipeline for some time.

CLARKE: We had already arranged this meeting, that's true. It had taken us quite a long time to arrange it because the Government has been pressing for negotiations on a permanent arrangement for about 2 years now. Under the pressure of the present dispute, really, the unions have finally all agreed to sit down and negotiate with us so it's a very timely meeting; and one of the things we did agree with the Royal college - last night or yesterday afternoon - was that we obviously need a better way of resolving these things to avoid these eyeball to eyeball confrontations which only damage the patients.

TIMPSON: Yes, I've heard it suggested, on the union side, that this is a diversionary tactic, on your part, to take attention away from the actual pay claim that's on at the moment?

CLARKE: It's a proposal, as I say, we've been putting forward since the middle of 1980 and it's very unfortunate that it's taken so long for everybody to agree to start the negotiations. I don't think it's a diversion at all. I think the present dispute has underlined the importance of it all.

TIMPSON: Well, as I understand it, the arrangement about nurses' pay, at the moment, is that the Government announces how much money is available and then it's left to the Whitley Council to distribute it. Now what alternative is there to that that you're thinking about?

CLARKE: That's the present arrangement and we made some more money available, this year, to enable the Whitley Council, then, to make a 6.4% offer and divide it up between the various grades. What we're thinking of is an arrangement which will recognise the particular position of nurses and midwives; the fact that most of them don't strike, won't strike and, therefore, feel inhibited. We'd probably have a system that would make some comparisons with the outside world; have some agreement about how we took into account the Government's ability to afford an offer; the difficulties of recruiting and retaining particular sorts of staff. The kind of arrangements that, in fact, the Government has already got with the police and firemen although we're not suggesting the same mechanisms are possible in the Health Service where there are so many employees.

TIMPSON: Does this come near to index-linking?

CLARKE: Index-linking, I think, is quite impossible because the Government has reduced inflation by getting more common sense into the running of the economy generally but index-linking, obviously, is, potentially, highly inflationary. We're also not very anxious to recreate the Clegg Commission - or anything like it - which was

also highly inflationary. But it's a better permanent arrangement which will make some comparisons with people in the outside world and have a machinery, I hope, for taking into account things like what the country can afford, the effect on the national economy and so on.

TIMPSON: Well if you contemplate doing that in the future, why can't you do it this year and take due account of the outside world in this case?

CLARKE: Because it's a very complicated matter and it will take some considerable time to reach agreement, I think, in any negotiations. It's a very great pity that nobody responded when Gerry Vaughan was first suggesting this 2 years ago. But I can't think that it would be possible this year. The major problem this year is that we're already spending a lot of money on the Health Service; we've increased the offer we've made to the nurses and the midwives but we're rather anxious that we don't see all the additional money we're putting into the Health Service go into the pay of existing staff. So this year, I'm afraid, we do have to negotiate within the resources available. We, I think, have got to see an end to the present dispute which is threatening the health of patients in some places and I think the more responsible nurses in particular - those who don't want to have industrial action - will welcome the fact that, for the future, we're now looking as though we're getting on towards a better permanent arrangement.

TIMPSON: But it should be pointed out, I suppose, that this applies only to nurses, it doesn't apply to ancillary workers - to members of COHSE and NUPE and those sort of people.

CLARKE: Today's talks will be about nurses and midwives and they,

because most of them have nothing to do with the industrial action, they are really, obviously, the group that's more sensible to start with. But we've made it clear that if those who represent the other groups - the porters and the cooks and so on - at the moment on strike, are interested in something of the kind; then we're quite happy to talk about that. Because of the unique position of the Health Service, the Government thinks it's entirely sensible to look at this sort of approach. What we think there's no room for, in the Health Service, is the kind of strike action and mass picketing: the kind of thing which the TUC unions have been organising in the last few weeks.

TIMPSON: And do you think that a longterm arrangement would eliminate all strikes and this sort of action?

CLARKE: One can never eliminate all disputes but, certainly, people like the police, the armed forces, the firemen; who, nowadays, do not take industrial action because of their responsibility towards the public. I think we've treated them fairly well over the last 2 or 3 years and I think there's a kind of 2 way duty. There are dedicated groups of people who can't take action because to do so injures the public. I think the Government wants to look after those people. In fact, we think we've got a greater duty, in a way, to look after those people than the sort of people who take irresponsible strike action that damages the public.

TIMPSON: Mr Clarke, thank you.



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End Action

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Prime Minister
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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

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer
Treasury Chambers
Great George Street
London SW1

MS

June 3 1982

Geo Geoffrey

We are about to enter a critical period as regards pay and industrial action in the National Health Service. There are days of national action on Friday 4 June and Tuesday 8 June, and the TUC Health Services Committee is to meet on Wednesday 9 June, when it will review the position and consider the future conduct of the campaign of industrial action. The outcome of the pay ballot by the Royal College of Nursing is due to be announced tomorrow and there will be a meeting of the Nurses Whitley Council on 8 June, at which the Staff Side's attitude towards the 6.4 per cent pay offer will become known.

Industrial action is meanwhile continuing sporadically throughout the country. I am satisfied that health authorities are standing firm and are ensuring that those who do not work are not paid. The effect of the action is uneven, but there are a number of hospitals which are providing no more than an accident and emergency service, with all ordinary inpatient admissions and outpatient attendances cancelled. Many patients are therefore not receiving the treatment or diagnosis they require, and waiting lists are building up. It remains to be seen what effect the forthcoming days of national action will have on the continuing level of industrial disruption.

It has been my hope that the nurses would accept the 6.4 per cent pay offer. We should then have reached agreement with them and with the doctors and dentists, and this would give us a reasonable basis from which to move on to seek settlements with the other groups. However, my firm impression now is that the nurses are likely to reject the offer. This will face us with new and more difficult problems.

As yet it is too early to reach a judgment about this. The immediate requirement is to assess the implications of whatever decision is reached by the nurses, and similarly to assess the outcome of the two days of national action, and of whatever decisions are taken by the TUC Health Services Committee on 9 June about the future conduct of the programme of industrial action by the affiliated trade unions. Following that, we can consider what would be the best line to enable us to achieve our objectives.

I am sending copies of this letter to the Prime Minister, other members of E(PSP), George Younger, Nicholas Edwards, Jim Prior and Sir Robert Armstrong.

Geo

NORMAN FOWLER

SECRET

Prime Minister



MS

MP 14/IV.

PRIME MINISTER

You and other Cabinet colleagues may wish to know that at yesterday's meeting of the Nurses' Whitley Council the Staff Side took away for consideration a reconstructed pay offer at 6.4 per cent after the Management Side had rejected a proposal that the matter be referred to arbitration. The Staff Side's representatives from the affiliated trade unions now have to consult their executives; but there seems a reasonable prospect that they, like the non-affiliated trade unions, will decide to ballot their members on the offer. If so, balloting will begin on 23 April, the results will be due in by 11 May, and the Staff Side will meet finally to settle its response to the offer on 18 May.

The Chancellor of the Exchequer suggested in paragraph 5 of his minute to you of ³⁰31 March that if we could secure a settlement with the nurses it would help us with other public services' pay issues currently before us. In fact, the boot is on the other foot, in the sense that unhelpful developments elsewhere in the public services - more specifically pay settlements, or the prospect of settlements, at rates significantly above the pay factor - could prejudice the outcome of the nurses' ballot and cause the offer to be rejected. I believe this to be a real risk. Contacts with the Staff Side suggest that there is a good deal of discontent amongst nurses about pay; and it would be unwise to take it for granted either that all the trade unions will decide to ballot their members, or that the outcome of such a ballot will be favourable.

This reinforces my conviction that we should be firm in adhering, as closely as we can, to the pay factor we have chosen for the public services. This is not only because I believe it is right to do so on merits, but also for the



tactical reason that, owing to the interaction of the pay issues which will shortly be before us for decision, a failure to hold one part of the line will make it doubtful whether we can hold any of it. I am, for example, quite clear that if we allow the Civil Service and the teachers to receive pay increases in the region of 6 per cent, it would be very difficult indeed - unless perhaps it was made clear that the excess cost would be met entirely from job losses - to suppose that it would be possible to secure settlements with NHS staff at 4 per cent. This is quite apart from the repercussions I have already mentioned on nurses and the other NHS groups which we have agreed should receive special treatment.

The cost to the NHS of the higher pay settlements which could be expected to ensue would be considerable - probably more than £100 million; and it would be out of the question to look for this to be met from the existing NHS cash limit, since we have already gone at least as far as is practicable this year in demanding economies from health authorities.

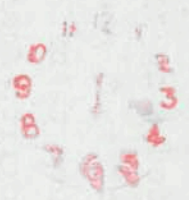
I support the Chancellor of the Exchequer's proposal that there should be some collective discussion on the handling of public services pay. In the meantime, I hope that, in relation to each decision which has to be taken, we shall do our utmost to avoid giving ground or appearing to do so.

I am sending copies of this minute to other Cabinet colleagues and to Sir Robert Armstrong.

13 April 1982

NF

APR 10 1902



COMMERCIAL

CP/ M copy to BI
 return to me
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mf

PRIME MINISTER

NURSES

You might like a report on my meeting on Monday with the Staff Side of the Nurses' and Midwives Whitley Council, at which they pressed me to increase the amount of money available for nurses' pay.

I made clear that such an increase was out of the question, and that the money that had been made available for pay increases in the NHS, together with the extra £63 million provided specially for nurses, represented the absolute limit of what the Government believed the country could afford. I also made the point that the Government had provided additional resources for the National Health Service in real terms and thus enabled the number of nurses to increase by 34,000 in the last two and a half years.

The Staff Side argued that the offer of 6.4 per cent fell far short of their claim of 12 per cent to keep pace with inflation, and that it would do little to improve the position of many low-paid staff. They put their arguments in a low-key, moderate way, and this tone appears to have been reflected in statements made to the press after the meeting by David Williams, the Staff Side Chairman. It is difficult to predict how matters will now go; but it may be significant that David Williams has said he is not advocating industrial action now, and that the Staff Side has not called off its negotiations with the Management Side. The next meeting of the Whitley Council is Tuesday 6 April, and I think we must await the outcome of that meeting before deciding what further steps to take.

At Cabinet last week I undertook to provide some general briefing on nurses' pay for colleagues. I attach a background note together with a table which provides information about career expectations and pay for the main nursing grades.

I am sending copies of this minute to other Cabinet colleagues and to Sir Robert Armstrong.



NF

31 March 1982

NURSES' PAY: BACKGROUND BRIEF

1982 Pay Round

1. The Government announced on 8 March that, while it believed that pay rises of 4 per cent were generally appropriate for the NHS, it had made available an additional £63 million for the pay of nurses and midwives. This extra money was in recognition of the special circumstances of nurses, whose continued recruitment and retention is essential in maintaining patient care.

2. As a result, the Management Side of the Nurses and Midwives Whitley Council - the nurses' negotiating forum - made an offer to the Staff Side representing an increase of 6.4 per cent on the current nursing paybill. Within that overall increase, the Management Side's offer sought to strengthen the position of the clinical and tutorial grades. All grades were offered an increase of 4 per cent in basic pay. For clinical and tutorial staff, the total increases in incremental scales would amount to:

GRADE	MIN	%	MAX
Nursing Auxiliary	5.5		8.9
Students/Pupils	5.4		5.3
Enrolled Nurse	5.2		7.9
Staff Nurse	6.1		9.5
Ward Sister	5.1		8.7
Nursing Officer 1	4.0		7.4
Tutor	7.9		7.3
Director of Nurse Education 1	4.0		6.9

and as structured are weighted in favour of the most experienced staff although this may be changed following further negotiations in the Whitley Council.

3. The Staff Side of the Whitley Council have claimed that the 6.4 per cent on offer is inadequate and met the Secretary of State for Social Services on 29 March. At that meeting the Secretary of State pointed out that the Government were making extra resources available for nurses' pay this year to provide an additional 2.4 per cent for nurses on top of the 4 per cent pay factor. This was a substantial improvement and was a tangible sign of the Government's commitment to nurses.

Nurses' Pay in the Future

4. The Government is also seeking to develop new permanent arrangements for nurses' pay to avoid the annual difficulties of the past. It has therefore begun discussions with both Sides of the Whitley Council about how matters can be taken forward.

Lodging Charges

5. The Nurses and Midwives Whitley Council have an agreement whereby realistic lodging charges for those nurses who live in hospital are to be phased-in gradually up to 1984. The revised charges for 1982 have not yet been agreed by the Whitley Council; when agreed they will still be below the cost of providing accommodation.

6. The Whitley Council has agreed that the charges should be reduced for those living in accommodation which does not meet the agreed standards, as well as for students, pupils and all other staff under 21.

7. It is estimated that only some 10 per cent of nurses live in. Of these, a substantial number will be eligible for automatic reductions because of their age.

Nurses and Midwives Pay

8. Pay for NHS staff amounts to about 75 per cent of hospital and community health service current expenditure. This expenditure rose from £4.4 billion in 1978/79 to £8.2 billion in 1982/83 - England only - an increase of 5.8 per cent after taking account of inflation.

9. Movement in nurses' paybill since this Government came into office:

	Movement represented by settlement	£m
March 1979: paybill =		1,450
Settlements effective from:		
April 1979 - Annual settlement (<u>reached in July 1979</u>) and reference to Clegg Commission	9%	
August 1979 - 1st stage	} Clegg award	22%
April 1980 - 2nd stage		
April 1980 - Annual settlement	14%	
April 1980 - Reduction in working week from 40 - 37½ hours	6½%	
April 1981 - Annual settlement	6%	
March 1982: paybill =		2,646

Increase in total paybill in cash terms is 82 per cent (1979-1982): most of this has gone into pay; the rest in employing extra nurses.

Numbers

10. Nurses have greater job security than many other occupational groups. Their numbers rose by 34,000 (in England) between 1979 and 1981. There are currently 479,000 nurses in Great Britain. (Both figures are in whole-time equivalents.)

Hours

11. The Government funded a 2½ hour reduction in the nurses' working week (equivalent to 6½ per cent on basic pay) in 1980/81 - a reduction from 40 to 37½ hours per week.

Career Expectations and Pay for Main Nursing Grades - see attached table.

TYPICAL CLINICAL CAREER STRUCTURE FOR A NURSE WHO HAS NO BREAK IN SERVICE

Age	Grade	Pay (from 1 April 1981)			% increase in basic pay for the grade 31.3.79-1.4.81 //	Number (WTE)+ in grade
		Basic pay £	Average earnings*			
			% over basic	Total £		
18	<u>Nursing Auxiliary</u> (failed cadets or others with no career in mind)	3,729	20.1	4,479	49	116,300
18	<u>Student</u> 1st year	3,290	10.5	3,636	53	58,170
21	" 3rd year	3,593	10.5	3,971	53	
21	<u>Staff Nurse</u> - on qualification	4,450	16.8	5,197	60	79,940
26	" " - after 5 years	5,426	16.8	6,337	60	
26	<u>Ward Sister</u> - on promotion from Staff Nurse	5,891	14.1	6,724	63	78,700
32	" " - maximum of scale (after 6 years)	7,215	14.1	8,235	63	
30-40	Promotion to <u>NO.II</u>	7,551	12.0	8,454	56	20,170
	Promotion above this level is slow and career prospects rather restricted: in terms of pay and numbers of posts these are:					
55	NO I	7,702	5.95	8,160	57	3,260
35 - for	SNO II	8,155	3.00	8,401	57	2,540
40	Div NO	11,018	-	11,018	72	730
40	Director of Nurse Education	11,973	-	11,973	72	190
45	District NO	15,982	-	15,982	59-79	200
over 40	Regional NO	21,073	-	21,073	68-99	14

// Between April 1979 and April 1981 - when the current pay scales were agreed - the RPI increased by 36 per cent.

* Average earnings include basic pay plus:

for Grades Staff Nurse - Senior Nursing Officer inclusive: Night duty and other unsocial hours.

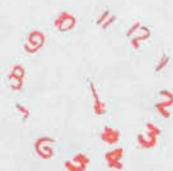
for Grades Staff Nurse - Nursing Officer inclusive: also overtime and other unsocial hours.

In addition certain fixed-rate enhancements apply to staff working in specialist departments, geriatric, psychiatric units, etc.

+ WTE = Whole time equivalents - all full-time staff plus the equivalent in full-time terms of all part-time staff appropriate to Great Britain - figures as at 30 September 1981. These estimated figures represent only the main grades: WTE of all nursing and midwifery staff = 479,000.

Ø Basic pay for 1979 is related to a 40 hour week, for 1981 to a $37\frac{1}{2}$ hour week.

31 MAR 1982



11

CONFIDENTIAL

PRIME MINISTER

NURSES

1.

Prime Minister.

Do you want the NHS to
 remain this happy or labour
 unions?

Yes no

24 iii

at Health CG MCS
 JV
 MAP

You will have seen from today's press that the Staff Side of the Nurses' and Midwives' Whitley Council have asked to see me to seek more money for the nurses' pay negotiations this year.

I am proposing to meet them on Monday, on the strict understanding that the Government is not intending to take over the negotiations. I shall tell them firmly that the money that has been made available for pay increases in the NHS is what the Government believes the country can afford. I shall remind them that, as an exceptional measure, we have already made an extra £63 million available for the nurses' negotiations, and that in addition the Government is committed to seeking new, permanent arrangements for determining nurses' pay in the future. I shall also point out that, as I reported to you in my minute of 22 March, the number of nursing staff has increased by 34,000 between 1979 and 1981, and the Government has funded a reduction in nurses' hours from 40 to 37½ a week. I think that this last point substantially adds to our case - and of course you might also be asked about the position at Prime Ministers Questions.

Filed on
 Nat Health
 Pt 2
 Nat Health
 Service
 Manager

6½ - 7½

2½ years

24 March 1982

[Handwritten signature]

34,000 more
 nurses and midwives

N F

Sw
not health



10 DOWNING STREET

From the Private Secretary

5 February, 1982.

Long-term arrangements for handling nurses pay

Thank you for sending me a copy of your letter of 1 February to John Kerr with which you enclosed a revised draft of the paper on the long-term arrangements for handling nurses pay which it is proposed to send to the Nurses and Midwives Whitley Council.

The Prime Minister feels that the paper might have been drafted with greater sensitivity at certain points, in particular in its references to the role of "market factors" in determining nurses pay. She, however, agrees to its submission as it stands, subject to the amendments agreed between the Treasury and the DHSS recorded in Peter Jenkins' letter to you of 3 February.

I am sending copies of this letter to the Private Secretaries to the other members of E(PSP), and to Muir Russell (Scottish Office), John Craig (Welsh Office), and Stephen Boys-Smith (Northern Ireland Office).

M. C. SCHOLAR

D.J.Clark, Esq.,
Department of Health and Social Security.

CONFIDENTIAL

Sw



NBPM

MUR 5/2

2 8/5

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

3 February 1982

D.J. Clark, Esq.,
Private Secretary,
Department of Health and
Social Security

Dear David

LONG-TERM ARRANGEMENTS FOR HANDLING NURSES' PAY

Thank you for your letter of 1 February, with which you enclosed a revised draft of the paper on this subject which was discussed at E(PSP). *will request if required*

The Chancellor was grateful to your Secretary of State for accepting the changes proposed by Treasury officials. He feels, however, that the paper still gives the impression in places of inclining to a mechanistic comparability system. He suggests the following further changes:

Paragraph 5. In the last part of the paragraph delete "whether" in the penultimate line and substitute "the nature of"; and in the final line delete "were correct".

Paragraph 7 (should be paragraph 6?). Redraft first two lines to read: "The Secretary of State's view is that any analogues which might be used must be staff whose ...". Then in the final sentence delete "Under some of these comparability arrangements" and "by means of suitable weighting".

Paragraph 9. In the last line insert "comparable" before "occupational" and delete "chosen as analogues".

.... I attach a complete re-type of the last page which, again, is intended to reduce the apparent emphasis on institutionalised comparability and give rather more equal prominence to market factors.

I am copying this letter and attachment to the Private Secretaries to the other members of E(PSP) and to Michael Scholar (No.10), Nuir Russell (Scottish Office), John Craig (Welsh Office) and Stephen Boys-Smith (Northern Ireland Office).

Yours ever
Peter

P.S. JENKINS

possible programme of work

12. In relation to the possible comparability element, it seems premature, in advance of a study of certain technical problems, to decide which of the potentially acceptable approaches referred to in paragraphs 5-8 would be most appropriate. The issues include -

- a. what are the possible analogues (on what criteria) which it might be appropriate to consider?
- b. what degree of guidance to pay negotiators might such analogues be able to provide?
- c. ^{what} possible form of analysis might be developed, and within what timescale?

13. In relation to market factors, technical questions also arise on the data which would be likely to be required and on the current availability of such data, in relation both to nurses and to the other groups regarded as analogous.

14. The technical nature of these questions, both on comparability and on market factors, suggests that the best course would be to refer them to independent management consultants for early study. In the light of their report, the Whitley Council could consider further how these factors might be taken into account in the process of determining nurses' pay, and perhaps commission any further work it then judged necessary.

CONFIDENTIAL



cc. J. V. ...

NBPM

MUS Sp

DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH
TELEPHONE 01-928 9222
FROM THE SECRETARY OF STATE

D J Clark Esq
Private Secretary to the Secretary of State for Social Services
Department of Health and Social Security
Alexander Fleming House
Elephant and Castle
London
SE1

3 February 1982

Dear David,

LONG TERM ARRANGEMENTS FOR HANDLING NURSES PAY

will request if required

Thank you for sending me a copy of your letter of 1 February to John Kerr, together with a copy of the revised text which it is proposed to send to the Nurses and Midwives Whitley Council.

My Secretary of State accepts that the commitments given to the nurses mean that an exercise of some kind is inevitable. Nevertheless, he would wish colleagues to be in no doubt about the risks if there is some partial rehabilitation of the idea of comparability, or any significant erosion of cash limit principles.

On the draft paper itself, we have three main points:

- (i) paragraph 5d says that indexing would not be acceptable to Government and goes on immediately to say that "indexing is not true comparability at all". We consider that the implied blessing for comparability would be best deleted.
- (ii) paragraph 6 perhaps contains a hint of an initial catching-up exercise: E(PSP) decided last Wednesday that any such implication must be avoided. Could the last sentence not be deleted without damage to the argument?
- (iii) paragraph 10 raises a doubt about the central positions of cash limits and "affordability" in our policies for public service pay (set out in plain terms in paragraph 4b), by mentioning the possibility that cash limits would not be set until the pay position was known fairly definitely. This would seem to risk serious erosion of the cash limit system. My Secretary of State thinks that this should surely be avoided.

Copies of this letter go to recipients of yours.

Yours sincerely
Mavis Wilde

CONFIDENTIAL

MRS I WILDE Private Secretary

FILE
SECRET



B/C J. Verkerke

RM
3

10 DOWNING STREET

From the Private Secretary

3 February, 1982

Dear John,

NHS Pay

Ministers were to have discussed the issues raised in the Chancellor's minute of 1 February to the Prime Minister in the course of their MISC 66 meeting yesterday morning. Time ran out, but it was necessary to arrive at a decision on the question as to what the Government's evidence to the Doctors and Dentists Review Body should be (paragraphs 6 and 7 of the Chancellor's minute); the time constraint here was that the DHSS were giving their oral evidence to the DDRB today.

The Prime Minister's view is that it would be a mistake for DHSS officials to indicate to the Review Body that there is flexibility in the Government's position on the pay of doctors and dentists up to about 6%; and that it would be better to say that the cash limit has been set on the basis of a 4% pay factor and that the Government will decide how to treat doctors and dentists when the Review Body reports. The Prime Minister considers that it ought not to be necessary to give the Review Body the impression that the 4% is an immutable limit, any more than it is necessary to indicate a willingness to go to 6%. She believes that if 6% were mentioned it would leak and would do very great damage elsewhere in the pay round. I have already passed these views on to the people concerned in the DHSS.

I am sending copies of this letter to the Private Secretaries to the members of E(PSP), Muir Russell (Scottish Office), David Omand (Ministry of Defence), Robin Ibbs (CPRS) and David Wright (Cabinet Office).

Yours sincerely,

Michael Scholar

John Kerr, Esq
HM Treasury

SECRET

Prime Minister

①

It is a great pity that you need to decide on this tonight, before discussion with colleagues on Thursday (there wasn't time this morning at MISC 66).

MR. SCHOLAR

If you postpone a decision DHSS officials c. Mr. Hoskyns

will have to stick to 4%, since they can hardly say the government hasn't made up its mind when giving their main evidence to DDRB.

We had a word about the need for the Prime Minister to decide, before DHSS officials give evidence to the DDRB tomorrow, whether it would be right to indicate to the Review Body that there is some flexibility in the Government's position on the pay of doctors and dentists, as recommended in the Chancellor's note of 1 February. Although Mr. Fowler suggested to Mr. Gregson after MISC 66 this morning that this was already agreed, it has in fact been clear all along that the agreement of the Ministerial Committee on Pay is subject to the approval of the Prime Minister. The Prime Minister will recall that the written evidence to the DDRB says that Ministers have not yet decided the NHS cash limit, but that the Department would bring the Review Body up to date when giving oral evidence; tomorrow's meeting is the main occasion for giving evidence, and will last most of the day: it would be best not to delay the decision.

The DHSS proposal is to indicate to the DDRB a degree of flexibility up to about 6% - Mr. Fowler's paper to the Ministerial Committee proposed 6.1% as a working assumption. The proposal is based on the DHSS's firm view that the Review Body are more likely to make a recommendation we can afford if they are told that about 6% is the right area, than if officials indicate that the 4% cash limit is firm.

I think this is highly questionable:

- (i) Logically, it seems likely that the DDRB will make a higher recommendation on the basis of a higher cash limit;
- (ii) The proposal may leak, with highly adverse consequences for other public service groups;
- (iii) Ministers have already decided to let all the Review Bodies report without interference, and treating the DDRB in this way would raise the question of what to do about the TSRB and the AFPR; and

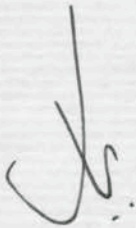
/ (iv)

I agree with this... in view of the... to the... for the... already... would... would do... damage

MUS 2/2

(iv) A statement of this importance would need to be very carefully formulated and controlled, and the proposal at present is distinctly vague.

I conclude that it would be much better for DHSS officials to tell the DDRB tomorrow that the cash limit has been set on the basis of a 4% pay factor, and that the Government will decide how to treat the doctors and dentists when the Review Body reports. It ought not to be necessary to give the impression that the 4% is an immutable limit, any more than it is necessary to indicate willingness to go to 6%.



J.M.M. VEREKER

2 February 1982

SECRET

cc Mr. Hoskyns
Mr. Ingham

MR. SCHOLAR

Prime Minister

NHS PAY

The Prime Minister ought to see the Chancellor's note of today's date on NHS pay as background to her meeting tomorrow morning on Civil Service pay. I have already drawn attention to the connection between the issues in a separate note I have done about the civil servants.

Mr. Fowler has succeeded in persuading both the Chancellor and his colleagues on the Ministerial Committee on pay that he should be allowed an increase in the NHS cash limit in order to provide for additions to the pay factor for nurses and midwives (an extra 2.4%), professions supplementary to medicine (2.4%), ambulancemen (1%), and doctors and dentists (2.1%). But the agreement of the Ministerial Committee was on the clear understanding that it was subject to the Prime Minister's own approval. There are a number of points which I think the Prime Minister will want to consider carefully:

(i) Although allowing Mr. Fowler a certain amount extra for nurses and ambulancemen is reasonable, particularly if as a quid pro quo he accepts that he must deliver the NHS ancillaries at no more than 4%, the logic of approaching the DDRB with an indication that the Government is prepared to go to 6% is very doubtful. It is suggested that the DDRB may make an "unacceptably high" recommendation if they think the pay factor is 4%, but a "broadly acceptable" one if they think it is 6%. It seems to me much more likely that the higher the pay factor they think that the Government has in mind, the higher their recommendation will be. Furthermore, Ministers have already decided to let the Review Bodies report without interference, and a decision to interfere with one must raise the question of what to do about the other two. Far better to let them all report, and then cope with the consequences, differently in each case if need be.

(ii) The total cost of the proposed additions to the pay factor is £117.6 million. The Prime Minister may feel that Mr. Fowler should agree that under no circumstances will this be exceeded

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/ (I understand

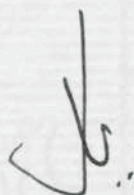
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- 2 -

(I understand that, at his meeting with the Chief Secretary this morning, not much progress was made in finding offsetting savings).

(iii) Paragraph 5 of the Chancellor's minute points in two directions on the timing of any announcement. It seems to me clear that, since the announcement on the NHS will contain elements greater than the 4% pay factor, we cannot let it be announced before we have made an offer to the civil servants, because to do otherwise would be providing the Civil Service unions with the argument that the Government can in fact offer more than 4% when it wants to. The present plan is to make the opening offer to the unions in the middle of this month, which would seem to point to an offer to the NHS groups at the end of this month.

I have commented separately on long-term arrangements for nurses pay.



John Vereker

1 February 1982

SECRET



ms

(1)

10 DOWNING STREET

Prime Minister, Paper for Nurses' Whitley Council

Agree to the submission
of this paper as it stands?

MUS 3/2

Reluctantly

Yes - but
I think it could have
been drafted more
sensitively in parts
not

CONFIDENTIAL

1

Prime Minister

cc Mr. Hoskyns
Mr. Ingham

MR. SCHOLAR

Agree to this paper being
submitted to the Whitley Council, subject to X?

Long-term arrangements for handling nurses pay ^{NUS 1/2}

I think the Prime Minister ought to see the draft paper enclosed with the letter to today's date from Mr. Fowler's Private Secretary to the Chancellor's Office, intended for the Nurses' and Midwives' Whitley Council. It will no doubt attract a lot of media interest.

The Prime Minister will recall that this paper was promised the nurses at her meeting with them on 18 December. In the official discussions we have managed to downgrade the comparability approach inherent in Dr. Vaughan's letter of 28 August 1980, to the extent that market factors are now given similar weight. The Prime Minister may wish to glance in particular at the end of paragraph 8.

But the nurses, and the media, will probably concentrate on the proposals in the last three paragraphs - further work by consultants. This does lay us open to the accusation of using a delaying tactic. There is no avoiding that, since delay is precisely what we are after; but the Prime Minister may think it worthwhile ~~reformulating this section~~ so as to make it clear that we think that equal weight should be given by the consultants to the two elements - comparability and market factors - in the proposed approach.

asking that this section be reformulated
NUS

X

I don't think the phrase 'market factors' or its distribution is John Vereker
surrounding it will spread news to the nurses etc

1 February 1982

CONFIDENTIAL



DEPARTMENT OF HEALTH AND SOCIAL SECURITY
 ALEXANDER FLEMING HOUSE
 ELEPHANT AND CASTLE
 LONDON S.E.1
 TELEPHONE: 01-407 5522

CC JV

CONFIDENTIAL

John Kerr Esq
 Private Secretary to the
 Chancellor of the Exchequer
 H.M. Treasury

1 February 1982

Dear John

LONG TERM ARRANGEMENTS FOR HANDLING NURSES PAY

Following the E(PSP) meeting last Wednesday, I enclose a revised draft of the paper which formed Annex A to E(PSP)(82)1. The draft incorporates a number of amendments suggested by Treasury officials and has been approved by my Secretary of State.

Unless I hear from you or other copy recipients by close of business on Wednesday, I shall assume that you are content for the paper to be sent to the Nurses and Midwives Whitley Council.

I am copying this letter and enclosure to the Private Secretaries to the other members of E(PSP) and to Michael Scholar (No. 10), Muir Russell (Scottish Office), John Craig (Welsh Office) and Stephen Boys-Smith (Northern Ireland Office).

Yours ever,

D.J.C.

D J CLARK
 Private Secretary

NURSES' PAY

NOTE BY THE HEALTH DEPARTMENTS

Introduction

1. The Government is committed to developing long term arrangements for handling nurses' pay which will work and can be afforded, and wishes to have the views of the Nurses and Midwives Whitley Council on the type of arrangements that they, for their part, would wish to see. This paper suggests lines of work which could most usefully be pursued by the Council during the coming months. Both Sides are invited to consider these suggestions and to respond by saying whether they are willing to embark on a programme of work within this framework. If so, they are invited to suggest suitable terms of reference for the proposed study (see paragraphs 13-15) and a plan of action which could be considered at a further tripartite meeting in, say, April.

2. The Government will, in the light of the report of the Megaw Committee when this is received later in 1982, give careful consideration to whatever provisional conclusions are finally reached by the Whitley Council. The Government hopes it will be possible to reach early and firm decisions on new long term arrangements for handling nurses' pay, but cannot commit itself either on the timing or the substance of these future decisions in advance of considering the conclusions of the Nurses and Midwives Council and of the Manpower Committee.

General Principles

3. Any new arrangements should be compatible with the continued functioning of the Nurses and Midwives Whitley Council. It is important that there should be continuing scope for the knowledge and expertise of both Sides of the Council about the functioning and practical requirements of the NHS to be brought to bear on the settling of nurses' pay, and that their pay should be seen as fair in relation to that of their colleagues in the NHS. This implies that any new system should feed into the Whitley Council, not replace it.

4. One element which may form part of any new system of handling nurses' pay is the drawing of comparisons with other staff groups. Comparability by itself has however proved an unacceptable method of pay determination, in particular because:

a. it fails adequately to reflect market factors, the most important of which are recruitment and retention of staff, job security and efficiency;

b. it ignores the principle that the size of pay increases must be related to what can be afforded (which, in relation to the public services, is reflected in the cash limits fixed by the Government).

Insofar therefore as any system of pay determination takes account of comparability, it must also take account of market factors and what can be afforded. These major considerations are discussed in paragraphs 9-12 below.

Interpretation of comparability

5. Several methods have in the past been used for establishing comparisons for pay purposes, though their potential usefulness in relation to nurses' pay will vary -

a. Job for job comparisons have tended to be the first choice; but nurses and midwives have few, if any, direct comparitors. There are groups whose

work is in various respects analagous with that of nurses and midwives; but this is less precise, and there appears to be virtually no scope for true job for job comparison.

b. Factorial analysis is a possibility in principle. But in the form which is often adopted, it is very complex, and would involve the derivation of pay rates for individual nursing grades. This would conflict with the preservation of the Whitley Council's role - see paragraph 3. The application of this method by the Clegg Commission did not prove satisfactory, owing in part to the absence of the necessary data. But it is for consideration whether the basic principle of factorial analysis - the drawing of comparisons based on the analysis of jobs into certain component elements - may not be of value if suitably applied.

c. The establishment of direct pay links between specific nursing grades and specific occupational groups outside nursing (eg ward sister - senior housing officer) has been seen as a possible course, but in the long run is open to objection, particularly because of its inflexibility. If the pay of the outside groups with which links have been established moves in an unsynchronised way - as could well be the case - there could be demaging consequences for the pay structure and pay relativities of nurses.

d. Various forms of indexing have been suggested - eg with the pay of single occupations which have some of the same characteristics as nurses, or with the pay index as a whole or some part of it. Such an arrangement would not be acceptable to the Government. It is not true comparability at all, and it allows no scope for market factors to be taken into account. Experience has shown it to be a recipe for inflation.

e. The 'basket of analogues' approach suggested in Dr Vaughan's letter of 28 August 1980. This system may prove to merit further study, though it could have the defect of involving something akin to indexation. It could be used either to assist in establishing the size of the average pay increase for nurses in any particular year, or to assist in establishing the absolute average level of nurses' pay.

In all these cases, the aim would be to leave the Whitley Council with the maximum scope to settle in negotiation how increases should be distributed amongst the various nursing grades. Some of the options would imply that there would at the outset have to be a separate operation to establish whether the relativities between the pay of nurses and that of other relevant groups were correct.

7. The Secretary of State's view is that any approach based on analogues would have to use true analogues - ie they must be staff groups whose work has a definite affinity with part of all the work of some (not necessarily all) nurses. Affinity with other staff groups may be of various kinds - for example, sharing the same level of responsibility (perhaps in the same organisation) or doing a similar type of work. Examples (for illustrative purposes only) are, for the former, junior doctors and NHS administrators; and, for the latter, lecturers, social workers, nursery school teachers and staff of residential homes. Under some of these comparability arrangements account would also need to be taken, by means of suitable weighting, of the closeness of the analogy between the work of the outside occupations and that of nurses, and the number of nurses doing work analogues with that of the outside occupation.

Market Factors

8. The main factors are recruitment and retention of staff, job security and efficiency. In principle, factual material could be obtained which would bear on the first three; but efficiency is difficult to measure. The factors are relevant in at least two major respects:-

- a. The extent to which the recruitment etc position is more or less favourable for nurses than it is for the occupations chosen as analogues and the implications this should have for the level of nurses' pay.

b. In absolute terms, the extent to which health authorities are finding it easy or difficult to recruit and retain nurses, and the resulting implications for nurses' pay in terms of these services considerations.

It is for consideration how market factors can most effectively be brought to bear. But the aim should be to establish arrangements which will provide agreed market data in a form which can be set alongside comparability data in the annual pay determination process, including negotiations in the Whitley Council.

9. It is premature to seek to reach a final conclusion on these very difficult matters until the Government have received and given consideration to the Report of the Megaw Committee, which will be considering very similar questions in relation to the Civil Service. There is, however, little doubt that, whatever the solution which finally emerges for nurses, factual data relating to market considerations will be required for nurses and midwives and also for any occupational groups chosen as analogues.

What can be afforded

10. The principle of "affordability" must be reflected in any new system; and the main practical problem is how to reconcile cash limits on public expenditure with the Government's responsibilities as an employer. Associated with this central issue are some procedural questions - for example, whether a change in the timetable for settling pay is needed so as to enable cash limits to be fixed on the basis of firm information as to the size of the pay increases for which financial provision is to be made.

11. These matters lie at the heart of the remit of the Megaw Committee; and although their recommendations will of course be immediately related to the particular circumstances of the Civil Service, the Government will again not wish to come to any conclusions on the arrangements for nurses until they have received the Committee's report. There does not appear to be any work which the Whitley Council can usefully do in this area in the immediate future.

A possible programme of work

12. In relation to the possible comparability element, it seems premature, in advance of a study of certain technical problems, to decide which of the potentially acceptable approaches referred to in paragraphs 5-8 would be most appropriate. The technical questions include -

- a. By what criteria could suitable analogues be chosen?
- b. What are the actual analogues which it might be appropriate to consider?
- c. How rigorous a form of analysis would it be possible to develop on the basis of these analogues?
- d. What would be involved in developing such a system, and how long would it take?

13. The technical nature of these questions suggests that the best course would be to refer them to independent management consultants for early study. In the light of their report, the Whitley Council could consider further what would be the most suitable approach to any comparability element included in the process of determining nurses' pay, and perhaps commission any further work it then judged necessary.

14. In relation to market factors, management consultants might be commissioned to make a preliminary report on the data which would be likely to be required and on the current availability of such data, in relation both to nurses and to the other groups regarded as analogous.

*Subject copy
filed on Econ Pol Mb
Public Sector Pay*



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

PRIME MINISTER

NHS PAY

The Ministerial Sub-Committee on Public Service Pay (E(PSP)) discussed two papers by the Secretary of State for Social Services at its meeting last Wednesday, one on the prospects for pay in the National Health Service (NHS) in the current pay round (E(PSP)(82)2) and the other on long term arrangements for settling nurses' pay (E(PSP)(82)1). You will want to consider the important issues concerning both pay and public expenditure which these papers raise.

Current pay round

2. You will recall that the Secretary of State first put forward proposals for increases above 4 per cent for certain key NHS groups last October, when E(PSP) approved them in principle. It was subsequently decided in the context of the Cabinet's public expenditure discussions that these proposals should not be pursued, although the Secretary of State warned that he might need to come back to colleagues, depending on developments.

3. The Secretary of State argued in E(PSP)(82)2 that the already appreciable risk of industrial trouble in the NHS this year had been exacerbated by the pay settlement of 6.9 per cent for the local government manuals and roughly 10 per cent for the electrical contracting industry, with whom NHS electricians (and through them other NHS craftsmen) have a firm link. The danger of widespread industrial trouble would be avoided only by offering increases of broadly 2-2½ per cent above the 4 per cent limit to certain key NHS groups -



principally nurses, doctors and dentists - whose support in the face of industrial action by others would be essential. He would seek to hold other NHS groups to pay increases of 4 per cent, although this would be far from easy; there was no prospect of their accepting less.

4. The cost of the Secretary of State's proposals would be £118 million in 1982-83, which the Secretary of State argued could not be offset by savings on other NHS expenditure or by increased productivity or manpower reductions on the part of the groups concerned. The proposals are therefore conditional on a satisfactory understanding being reached in bilateral discussions between the Secretary of State for Social Services and the Chief Secretary, Treasury on how the additional expenditure can be met.

5. The Secretary of State argued, and the Sub-Committee agreed, that an early announcement was desirable; to delay could well lead eventually to higher settlements and also create the impression that the Government had given in to pressure from the nurses' pay campaign. It is clear however that the timing will need to take account of the timing and nature of the Government's offer to the non-industrial civil service. This is something which you will no doubt wish to discuss at the meeting which we are to have on 2 February.

Doctors and Dentists Review Body

6. There is a related issue concerning the Doctors and Dentists Review Body to whom DHSS are giving oral evidence on **3** February. The Secretary of State argued that it was important that his officials should be able to indicate then at least in general terms that there was some flexibility in the Government's position on the pay of doctors and dentists. His view was that if the DDRB were given assurances of this sort they would make recommendations broadly acceptable to the



Government and in which the professions would be prepared at least to acquiesce; but that if the DDRB was led to believe that the Government intended the 4 per cent cash limit pay factor to apply equally to the doctors and dentists as to other NHS groups the result would probably be unacceptably high recommendations, the subsequent rejection of which could well undermine the review body system. There was, in his view, no danger that this information would become public prematurely.

7. The Sub-Committee agreed on balance with the Secretary of State, that provided that the public expenditure issues could be resolved in time, DHSS officials should indicate a degree of flexibility on the Government's part about the pay of doctors and dentists, but in such a way that the Government's position was fully reserved if, in the event, the DDRB were to produce unacceptably high recommendations. This is of course a modification of the policy of letting all three Review Bodies report in the normal way, which was set out in my minute to you of 30 October 1981, following an earlier discussion in E(PSP) and approved by you in your Private Secretary's letter of 11 November.

Long term arrangements for nurses pay

8. As for the long term arrangements for settling nurses' pay, you will recall that it was agreed at your meeting with the Nurses and Midwives Whitley Council on 18 December that the Secretary of State for Social Services should chair a further meeting of the Whitley Council early in the New Year with the aim of identifying a programme of work which could usefully be pursued by the Staff Side between now and the autumn, by which time we should have received and reached broad conclusions on the Megaw Report, and that the Secretary of State would circulate in advance of this meeting a paper suggesting the fields in which work might most usefully be pursued. A draft was annexed to E(PSP)(82)1.



9. The Sub-Committee endorsed the tactic of commissioning a study by management consultants of the main technical questions which arise. But it felt that the paper as drafted did not adopt a sufficiently neutral tone in describing the various options for the comparability aspect of a new system and that it did not adequately emphasise the importance of taking full account of market factors and affordability in whatever pay system is finally devised. Officials are now revising the draft to reflect the Sub-Committee's view and the Secretary of State will clear the revised version in correspondence with E(PSP) before it is circulated to the Whitley Council. The Secretary of State will also consult the Sub-Committee about the terms of reference for the proposed study by management consultants following the meeting of the Whitley Council.

10. I am sending a copy of this minute to the members of E(PSP), the Secretaries of State for Scotland and for Defence, Mr Ibbs and Sir Robert Armstrong.

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

(G.H.)

1 February 1982

PART 1 ends:-

E(PSP)(82) 1st - Item 3 27/1

PART 2 begins:-

Ch/Ex to PM 1/2

We have entered KBAKO 82

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energy
trade protection

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positive economy appropriate action

Oh we want open trade - but remember
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If you good TV's have been in industrial production continuity.
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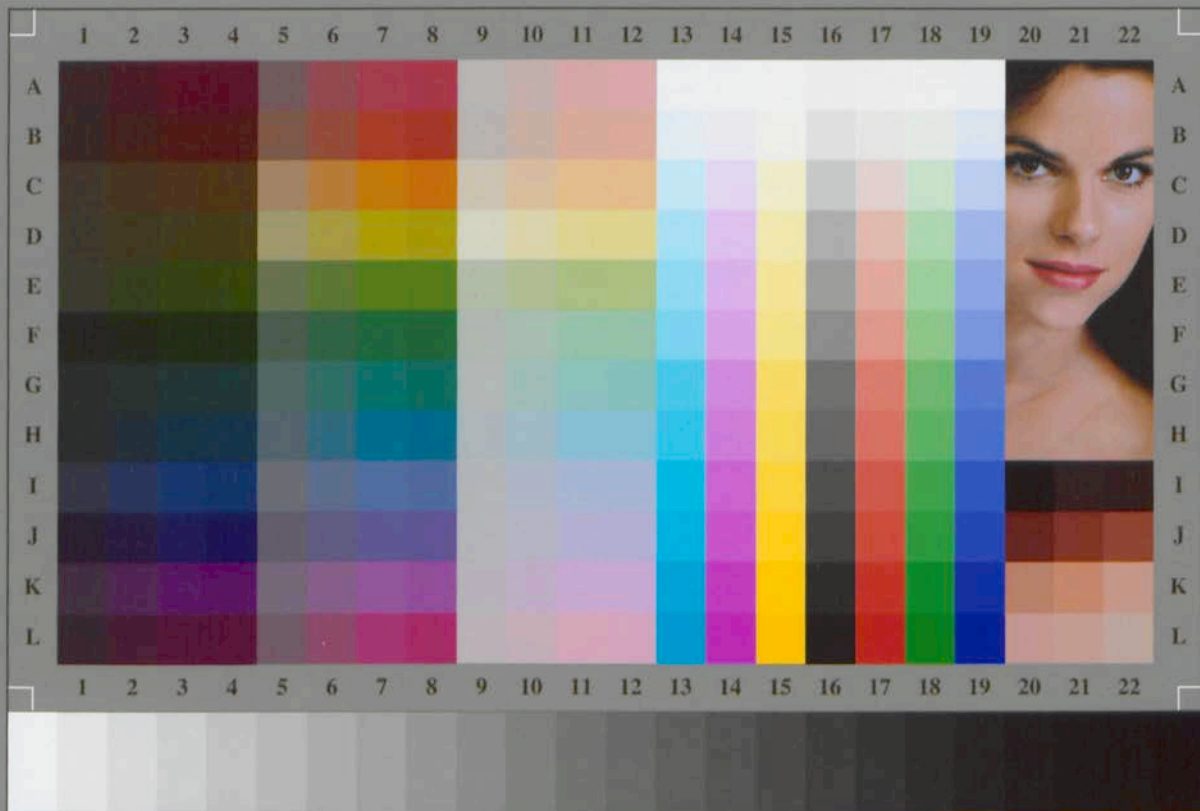
Duffy

Let's not get back to a situation of 2-3 years
ago where TV's forced to defend themselves

Please think about this.

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