



Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

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

Prime Minister

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

Content for first two to

be published on

Monday?

At Flag A is a letter

5 March 1980

A acknowledgment for you

to send to Mr. Clegg.

Dear Tim,

STANDING COMMISSION ON PAY COMPARABILITY

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

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

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



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

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

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

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

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

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

X This report is now

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

T.

For Sundry

ANDREW HARDMAN  
Private Secretary

# CONFIDENTIAL

## PRESS NOTICE

### PAY COMPARABILITY COMMISSION REPORT

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

10 March 1980

### NOTES FOR EDITORS

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

# CONFIDENTIAL

## PRESS NOTICE

### PAY COMPARABILITY COMMISSION REPORT

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

10 March 1980

#### NOTES FOR EDITORS

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

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

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

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

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