

Prime Minister

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**CONFIDENTIAL**

cc Mr Hoskyns

Do you really want to  
concede special treatment to this group  
at the start of the pay round and at a

MR SCHOLAR

National Health Service Pay

cost of £118m? Suggest

as a minimum I write

In his minute of 30 October, the Chancellor records  
that the Ministerial sub-committee on public services  
pay endorsed in principle extra provision for NHS pay,  
as proposed by Mr. Fowler, and proposed that Cabinet  
should decide on the amount of the extra provision,  
following further discussion in MISC 62.

as at X.

MUS 4/11

The Prime Minister should be aware that there is no  
case in terms of the criteria the Government is applying  
to public services pay generally for special treatment for  
the NHS. DHSS have been given ample opportunity in both  
the official and Ministerial discussions to justify extra  
provision on grounds of recruitment and retention factors,  
but they have always come down to basing their case on  
what the NHS expect, in comparison with other groups. As  
I have said before, all public service groups are potentially  
special cases: the uniformed services with their indexation,  
the Civil Service with its arbitration, and so on. It would  
be a poor start to the public service pay round to make an  
exception of the NHS.

X | Accordingly I suggest that the Prime Minister should note  
rather than agree the conclusion of the Ministerial sub-committee,  
and should indicate that whether or not extra provision is found  
for the NHS must depend on the progress of the public  
expenditure exercise: as the Chancellor points out, Mr. Fowler  
is seeking an extra £100m (in fact, the figure is £118m. if you  
include superannuation and national insurance).

J.S.

3 November 1981

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