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10 DOWNING STREET

THE PRIME MINISTER

3 January 1980

Dear Professor Clegg,

I am writing to thank you for your letter of 20 December enclosing the Commission's report on the pay of nurses and midwives. As you know arrangements have been made for the report to be published on 4 January.

I am grateful to you and to the members of the Commission for your work on this reference.

Yours sincerely

Raymond Johnston

Professor Hugh Clegg

Rd.

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BK



10 DOWNING STREET

From the Private Secretary

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Paymaster General  
3 January 1980  
CO

*Dear Ian*

Clegg Commission: Report on Nurses' and Midwives' Pay

There has been further discussion in the course of today about the press release enclosed with the letter I wrote to you yesterday.

We have now agreed that the press release should be issued from No. 10. We will be putting it out at 2.30 pm tomorrow, 4 January.

I enclose a further revision of the press release, taking account of both discussions between the Chancellor and the Prime Minister about the references to financial provision, and of our conversations about the complementary press release from OME.

In the course of the day, there has also been further discussion about the point raised in Don Brereton's letter to John Anderson of 31 December. I am also enclosing a copy of a note to Government Press Officers on this point. Our Press Office will be sending copies of this separately to your Press Office, and to those at the Treasury and the Department of Health and Social Security.

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

*Yours sincerely  
Mike Pattison*

Ian Fair, Esq.,  
Department of Employment

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BK

PRESS NOTICE

PAY COMPARABILITY COMMISSION REPORT

The Government today published the report on nurses' and midwives' pay of the Standing Commission on Pay Comparability, chaired by Professor Hugh Clegg. Nurses and midwives were referred to the Commission by the last Government which undertook, with the parties to the reference, to accept the recommendations for rates of pay which the Commission was asked to make, to be implemented in two stages with effect from 1 August 1979 and 1 April 1980. The Government has undertaken to honour this commitment, and the rates of pay recommended will be implemented on the agreed dates.

10 Downing Street,  
SW1.

4 January, 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 nurses and midwives, it was asked to make recommendations on how the pay of this group should reflect the results of the comparisons.
2. The Commission's recommendations will give the main grades of nurses and midwives an average pay increase (depending on grade) of 19.6%, against which must be set the payments on account which nurses and midwives have been receiving since 1 April 1979. The total cost of the award is calculated to be £311m. in a full year. (Fuller details of the report's recommendations can be found in the press notice released today by the Office of Manpower Economics.)

3,. The Government confirmed in May its intention to honour the previous administration's commitment to accept these Clegg pay recommendations. Provision has accordingly been made to meet the costs of this pay award.

4. Other groups which the Government has referred to the Commission include teachers, some groups of local authority craftsmen and other smaller groups.

5. Questions about the content of the reports should be addressed to:

Mr. M. Peaks, Office of Manpower Economics. (Tel. 405 5944 Ext 312)

NOTE TO GOVERNMENT PRESS OFFICERS

The Government is conscious of the problems of future pay relativities (to which the Clegg Commission draws attention in paragraph 94 of its report). It will of course be for the management and staff sides to consider together how future pay arrangements can best be handled, taking account of the further views on the issue which the Commission may express, and the Government will be ready to discuss these matters with them if they wish.



10 DOWNING STREET

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Nat Health

From the Private Secretary

2 January 1980

Clegg Commission: Report on nurses' and midwives' pay

Tim Lankester wrote to you on 28 December about publication of the Clegg Commission's Report on nurses' and midwives' pay.

Since then, there has been further discussion between the press offices of the departments most concerned about the terms of the press notice.

The Prime Minister has agreed that it would be useful to include some more specific information about the scale and cost of the Report's recommendations in the notes for editors. I am therefore enclosing a new version of the press notice which includes the revised notes for editors agreed between departments. Unless there are any further comments in the course of tomorrow, you will be issuing a revised press notice for January.

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

MAP

SP

Ian Fair, Esq.,  
Department of Employment

REVISED PRESS NOTICE

PAY COMPARABILITY COMMISSION REPORT

The Government today published the report on nurses' and midwives' pay of the Standing Commission on Pay Comparability, chaired by Professor Hugh Clegg. Nurses and midwives were referred to the Commission by the last Government which undertook, with the parties to the reference, to accept the recommendations for rates of pay which the Commission was asked to make, to be implemented in two stages with effect from 1 August 1979 and 1 April 1980. The Government has undertaken to honour this commitment, and the rates of pay recommended will be implemented on the agreed dates.

4 January 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 nurses and midwives, it was asked to make recommendations on how the pay of this group should reflect the results of the comparisons.
2. The Commission's recommendations will give nurses and midwives an average pay increase (depending on grade) of 19.3%, against which must be set the payments on account which nurses and midwives have been receiving since 1 April 1979. The total cost of the award is calculated to be £311m. in a full year.
3. The Government has undertaken to honour the previous administration's commitment on cash limits to the Health Authorities. As a result the cash limits for 1979-80 will be increased to meet the cost of the recommended increase in pay. The full year cost will be reflected in the cash limits set for 1980-81.

4. Other groups which the Government has referred to the Commission include teachers, some groups of local authority craftsmen and other smaller groups.
  
5. Questions about the content of the reports should be addressed to Mr. M. Peaks, Office of Manpower Economics (Tel: 405 5944 Ext 312).





*2 PM*

Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Tim Lankester Esq  
Private Secretary to the  
Prime Minister  
10 Downing Street  
LONDON SW1

*Type for PM to  
sign re MAP.*

2 January 1980

*Dear Tim*

CLEGG REPORT ON NURSES AND MIDWIVES

In your letter of 28 December you asked for a draft letter for the Prime Minister to send to Professor Clegg. Such a draft is attached.

*Yours sincerely  
I A W Fair*

I A W FAIR  
Princial Private  
Secretary

Draft letter for the Prime Minister to send to Professor Clegg

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

I am writing to thank you for your letter of 20 December enclosing the Commission's report on the pay of nurses and midwives. As you know arrangements have been made for the report to be published on 4 January ~~for~~ ~~As you know the report was published on 4 January~~ 7.

I am grateful to you and to the members of the Commission for ~~carrying~~  
*your work on*  
~~out~~ this reference.

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PRIME MINISTER

So we need to say the  
cash limits will be  
increased. Can't we  
say - adequate provision



As you agreed, we have  
revised the Clegg press  
notice to cover the Chancellor's  
point in para 2-5. - see A.  
Await Mr Jenkins's comments on

had been Treasury Chambers, Parliament Street, SW1P 3AG the tactical  
made? I am grateful for the consequences on the steel  
cash limit.  
01-233 3000 questions?  
MAD  
2/2

PRIME MINISTER

STANDING COMMISSION ON PAY COMPARABILITY :  
REPORT ON NURSES' AND MIDWIVES' PAY

The Standing Commission presented their report on nurses' and midwives' pay just before Christmas. Jim Prior proposes that we should publish it on 4th January with a brief press notice.

2. I am content for the report to be published as proposed. However, I believe we should make the position regarding cash limits absolutely clear, and stress that the commitments to the nurses which we are now honouring were made by the previous Government.

3. Some of the increases recommended by the Commission are large (up to 25 per cent, on top of the 9 per cent interim increase implemented from April 1979). For other groups much smaller increases are indicated, and the Commission's own assessment of the average percentage addition to the pay bill (19.3 per cent) is slightly lower than we have been assuming for the purposes of the economic forecasts, and lower than the 20-25 per cent range which Cabinet agreed should be incorporated in the 1980-81 cash limits if Clegg did not report in time for the actual figures to be used.

4. I recommend that we announce that the 1979-80 cash limits will be increased to allow in full for the cost of the award in the current financial year. For the 1980-81 cash limit we will

/allow for



allow for the full year cost of the Clegg award. The further pay increase due in April will, of course, have to be covered by the general cash limit revaluation for prices and new pay awards which Cabinet agreed on 13th December. We should also consider whether there should be any offset for savings resulting from the review of the structure of the nursing hierarchy which the Commission indicate (in paragraph 62 of the report) may be necessary.

5. I suggest the following might be added to the end of the proposed press notice:-

"The Government also undertook to honour the previous Administration's commitment on cash limits to the health authorities. As a result the cash limits for 1979-80 will be increased to meet the costs of the recommended increase in pay. The full year cost will be reflected in the cash limits set for 1980-81."

6. Although I should not wish to mention it in the press notice, we need to be clear on our attitude to the shorter working week, which is referred to in paragraph 44 of the report. It appears that the Commission have misunderstood the position reached in the Whitley Council. There is no commitment to reduce nurses' hours, and we should certainly not make any commitment to making available additional finance to meet the cost of the introduction of a shorter working week. This aspect of the report also raises much wider questions concerning the Government's attitude to proposed reductions in the working week.

7. Finally, there are a few other points to note. First, we must not commit ourselves at this stage to referring the nurses (or any other group) to the Standing Commission next year, as Professor Clegg and the members of the Commission seem to expect (paragraph 94). Second, we need to be very careful that the argument, at the close of the paragraph, that nurses should not again be allowed to fall behind in the relativity stakes is not

/misinterpreted



misinterpreted as a commitment to any form of indexation. Third, Clegg continues the existing method of rating index linked pensions (paragraphs 46 and 47), which as he notes is under study; our acceptance of the Report should not imply that we accept the present method. Finally, I find the discussion about job security (paragraph 67) feeble; and in any future exercise of this nature I hope it can be more thoroughly tackled.

8. Patrick Jenkin will no doubt be letting you know how he proposes to handle the tactical questions arising out of the problems discussed above.

9. I am sending copies to members of E(EA), to the Secretary of State for Social Services, the Secretary of State for Education and Science, the Minister of State (CSD), the Paymaster General and Sir Robert Armstrong.

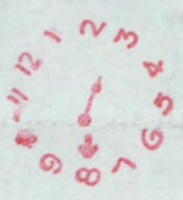
A handwritten signature in black ink, appearing to be 'G.H.' with a flourish.

(G.H.)

31st December, 1979



2 JAN 1960



CONFIDENTIAL

NH Health  
✓  
MS

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*

J Anderson Esq  
Private Secretary  
Department of Employment  
Caxton House  
Tothill Street  
London  
SW1H 9NA

31 December 1979

*Dear John,*

STANDING COMMISSION ON PAY COMPARABILITY : REPORT ON NURSES' AND MIDWIVES PAY

I am sorry to be late in responding to Ian Fair's letter of 21 December about the publication of the report on nurses' and midwives' pay. Due to an oversight here the Secretary of State did not see the letter and report until last Friday.

My Secretary of State believes that the Government must be seen to take the issue of future pay relativities seriously - paragraphs 93 and 94 of the report. Accordingly he suggests that the following be added to the supplementary notes for Government Press Officers.

"The Government is very conscious of the problem (ie. future relative pay levels); it is one that Ministers addressed themselves to in Opposition. The Government will want to look carefully at the question of what kind of arrangements should be made in future to review the pay of nurses and midwives".

Copies of this letter go to Tim Lankaster at No. 10, the Private Secretaries to the members of E(EA), Richard Prescott (Paymaster General's Office) and Martin Vile (Cabinet Office).

*Yours sincerely*  
*D Brereton*

D BRERETON  
Private Secretary

CONFIDENTIAL



CONFIDENTIAL



10 DOWNING STREET

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*From the Private Secretary*

28 December 1979

BF 8.1.80

Clegg Commission: Report on nurses' and midwives' pay

The Prime Minister has read your letter of 21 December, and she has seen the Clegg Commission's Report on nurses' and midwives' pay. She agrees that the Report should be published on 4 January, and - subject to colleagues' views - with the draft press notice which it is intended should be put out.

The Prime Minister has, however, noted the high cost of the Commission's pay recommendations, and has commented that - in the light of these recommendations and other costly recommendations in the pipeline - Ministers will need to consider the whole future of the Clegg Commission once again.

I would be grateful if you could let us have a draft letter for the Prime Minister to send to Professor Clegg acknowledging receipt of the Report; (I enclose a copy of his letter to the Prime Minister of 20 December).

I am sending a copy of this letter without enclosure to the Private Secretaries to the members of E(EA), to Don Brereton (Department of Health and Social Security), Richard Prescott (Paymaster General's Office) and Martin Vile (Cabinet Office).

T. P. LANKESTER

Ian Fair, Esq.,  
Department of Employment.

CONFIDENTIAL

Prime Minister



Caxton House Tothill Street London SW1H 9NA

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Switchboard 01-213 3000

*We really must reconsider the future of cliff. whether there is a change for a comprehensive commission*

Tim Lankester Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

*draft not*

Clegg recommends an award in 1979. (over and above the 99. paid last April). But nurses at the top get much less than those at the bottom. (See table at Flag A).

*Agree - but*  
*Yes*  
i) report to be published on 21 December 1979 4 Jan?  
*Yes*  
ii) draft press notice, subject to Chancellor's comments?

*Dear Tim*

STANDING COMMISSION ON PAY COMPARABILITY: REPORT ON NURSES' AND MIDWIVES' PAY

*R*  
*27/12*

The Prime Minister will have received from the Office of Manpower Economics a copy of the report on nurses' and midwives' pay by the Standing Commission on Pay Comparability. Subject to her agreement, this Department will arrange for it to be published as a Command paper; publication is planned for 4 January.

The Government is committed to honouring the undertakings made to nurses and midwives concerning the Commission's recommendations, ie

- i) to implement the recommendations on pay in two stages, with effect from 1 August 1979 to 1 April 1980;
- ii) to adjust cash limits for 1979-80 to meet the cost of the recommendations in full.

The Chancellor's paper on cash limits for 1980-81 (C(79)60, Annex A, para iiii), which Cabinet approved on 13 December, envisaged making allowance in the NHS cash limit for 1980-81 also for the figure recommended by the Commission for nurses, and there is nothing in the report's recommendations which seems to require further consideration of that course.

It would be consistent with the Government's previous decisions on other groups for the recommended rates of pay to count in full for superannuation purposes with effect from 1 April 1979 (assuming the rules of the superannuation scheme allow that).

I am attaching a draft press notice and notes for editors, which follow lines which have been discussed with officials of the Treasury and other Departments concerned. If there are any comments on these, we should be grateful to have them by Monday 31 December.

*Cabinet agreed this. R*



The Commission calculate that the cost in a full year of their pay recommendations is £311m, equivalent to 19.3% of the current pay bill excluding payments on account. Clearly the cost in 1979-80 will be very much less.

Ministers may also wish to be aware that the Professions Supplementary to Medicine pay group (PSMs) agreed as part of their 1979 settlement that, pending completion of their own comparability study, an interim award would be made from 1 August 1979 applying the nurses' and midwives' first stage award on an agreed point-for-point basis. Therefore when the nurses' report is published it is likely that the PSMs' Whitley Council will seek the same first stage.

I am copying this, with copies of the report, to the private secretaries of members of E(EA), the Secretaries of State for Social Services and for Education, the Minister of State (CSD), the Paymaster General and Sir Robert Armstrong.

*Yours sincerely*  
*I A W Fair*

I A W FAIR  
Principal Private Secretary

PRESS NOTICE

PAY COMPARABILITY COMMISSION REPORT

The Government today published the report on nurses' and midwives' pay of the Standing Commission on Pay Comparability, chaired by Professor Hugh Clegg. Nurses and midwives were referred to the Commission by the last Government which undertook, with the parties to the reference, to accept the recommendations for rates of pay which the Commission was asked to make, to be implemented in two stages with effect from 1 August 1979 and 1 April 1980. The Government has undertaken to honour this commitment, and the rates of pay recommended will be implemented on the agreed dates.

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2. Other groups which the Government has referred to the Commission include teachers, some groups of local authority craftsmen and other smaller groups.
3. Questions about the content of the reports should be addressed to

Mr M Peaks  
Office of Manpower Economics  
(Tel: 405 5944 Ext 312).

SUPPLEMENTARY ANSWER FOR GOVERNMENT PRESS OFFICERS

Are cash limits to be adjusted to meet the cost of the recommendations?

The NHS cash limits for 1979-80 and for 1980-81 will be adjusted to meet the full cost of the pay recommendations.

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



OFFICE OF MANPOWER ECONOMICS

22 KINGSWAY  
LONDON WC2B 6JY

Telephone 01-405 5944

20 December 1979

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

Dear Mrs Thatcher,

STANDING COMMISSION ON PAY COMPARABILITY

We have now completed work on the nurses and midwives reference and I have pleasure therefore in submitting the attached report.

Yours sincerely

Hugh Clegg

H.A. CLEGG