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cc. Lankester set.

SUBJECT.

RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND THE NURSES AND
MIDWIVES WHITLEY COUNCIL AT 0930 ON THURSDAY 29 MAY 1980 AT NO. 10

<u>Present:</u> Prime Minister	Mr. Williams
Secretary of State for Social Services	Miss Cowie
Minister of State, Health and Social Security	Miss Hall
Miss Whitehead	Miss Clague
Mr. Harrison	Mr. Johnson
Mr. Brereton	Mr. Jones
Mr. Wolfson	Mr. McKenzie
Mr. Ingham	Mrs. Hardie
Mr. Whitmore	Miss Castle
Mr. Lankester	Mr. Donnet
	Mr. Rowden
	Mrs. Wyndham Kaye

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Mr. Williams thanked the Prime Minister for agreeing to see the delegation so quickly. But it was almost two months since the nurses' due settlement date and a political decision was needed to remove the existing fetters on the management side's negotiating position. The background to the present conjuncture was as follows. In April 1978 the nurses had settled at the "going rate", and as a result of this and the previous years' incomes policies they had fallen up to 20% short of the earnings of comparable groups. At that time, they - like other groups - had been told that they could negotiate for additional amounts in return for improved productivity. But the nurses had decided that it would not be right to enter into negotiations of this kind. Instead, they had asked the Secretary of State (Mr. Ennals) whether any special consideration could be given in return for not entering into productivity bargaining. A "special treatment" exercise had then been embarked on to see whether nurses could be given special treatment of the kind accorded to the firemen, the police and the doctors. But nothing had come out of this exercise. The nurses did not begrudge the fact that other groups doing difficult jobs had been given "special treatment"; they simply felt that they deserved similar treatment because they were doing a difficult job too.

/ Mr. Williams

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Mr. Williams went on to say that the staff side had been disappointed by the Clegg Report. They had invited the Commission to take into account fully the responsibility and educational requirements of nursing, and to ignore the fact that it was traditionally a "female profession". They had argued that the average pay for nurses should be the same as the average for non-manuals (male and female). Although they had reluctantly accepted the Clegg recommendations, the latter had fallen short of their expectations; and it was against this background that they had put in a claim for 30% in all for 1980. For it was only with a percentage figure of roughly this size that it would be possible to put right the structural deficiencies which Clegg had failed to take into account. However they had been told that no more than 14% was on offer. After meeting ^{with} Dr. Vaughan, they had reluctantly agreed to continue negotiations on the basis that other groups in the health service would not be getting more than 14%. But the subsequent decision on doctors' and dentists' pay had made it impossible for them to continue to negotiate. The staff side understood that the total of 31% for the doctors and dentists was composed of 10% for the final staging of the 1978 award and 18.7% for 1980 uprating. But their members still thought that the award was patently unjust. In particular, it was unfair that the doctors were being given an uprating of 18.7% while the nurses were being offered an extra 14% for 1980. It seemed to them that, as soon as they achieved a reasonable degree of parity following a reference to a third party such as Halsbury or Clegg, they immediately fell behind again. This was inconsistent with the view expressed in paragraphs 93 and 94 of the Clegg Report - that the relative pay of nurses should not be allowed to decline again. It would be difficult to find a permanent mechanism to ensure that nurses' pay did "keep up" if it was allowed to fall behind in 1980. In contrast to other groups in the public service, there was no possibility of bargaining for higher pay in return for a slimming of the work force. Finally, Mr. Williams referred to the Prime Minister's remark in the House on 22 May that "the rate of increase that one is entitled to have is the rate of increase that is earned". The nurses felt that they had "earned" a bigger increase than 14%.

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/ Miss Hall

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Miss Hall said that the nursing profession were disillusioned by the Clegg award and were angry that they were now being asked to settle within the 14% cash limit. They had accepted Clegg only on the basis that some of the inequities and anomalies which he had ignored could be put right in the 1980 settlement. But this was impossible within the 14% constraint. The doctors' and dentists' award had been announced while the Royal College of Nursing were having their annual congress, and it had therefore been particularly resented. They could not understand why they were being offered 14% while the doctors were getting 18.7% for the equivalent period. Nurses had been grossly underpaid historically, and what had happened would only add to the increasing bitterness in the profession.

Mr. Johnson made three points. First, the staff side had asked Clegg to establish a clear link between nurses' pay and the National Earnings Survey. This was already done in the case of doctors and dentists, but Clegg had failed to deliver. Secondly, as Miss Hall had said, there was no chance of dealing with the structural problems within the 14% cash limit. Thirdly, in so far as the Clegg report included doctors and dentists as one of the nurses' comparators, its recommendations were already being undermined by the differential treatment in 1980.

Mr. Jones said that the nurses were having to carry the burden of the higher cost of doctors' and dentists' pay than had been allowed for in the cash limit. Miss Hardie said that there was an increasing shortage of midwives because of inadequate pay levels. Mrs. Wyndham Kaye said that very few health visitors would benefit from the shorter working week which was being provided for; their car allowances were inadequate; and in so far as they worked closely with General Practitioners, and helped them to earn their living, they were particularly sensitive to the large settlement for doctors. Miss Clague said that the pay structure for nurses was very flat, and as a result, at top levels responsibility was not adequately compensated. It was unfair that top nurses were paid less than hospital managers with comparable responsibilities.

/ The Prime Minister

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The Prime Minister said that, on coming in to office, the Government had been pledged to bring doctors' and dentists' pay up to date in accordance with the recommendations of the Doctors' and Dentists' Review Body, and to implement the recommendations of the Clegg Commission on nurses' pay - whatever the figures they came up with. In spite of the difficult economic circumstances, with little or no extra output in the economy, the Government had honoured both pledges. They had done this even though it meant reducing expenditure elsewhere. As regards nurses, the Government had in fact done considerably more than honour the Clegg recommendations. First, they had provided an additional £2 million to meet some of the recommendations in the Speakman Report on comparative responsibilities of top post holders. Second, they had provided £2 million to protect some nursing staff from suffering short-term pay cuts which would otherwise have resulted from the direct application of the Clegg recommendations. Third, they had provided an extra £116 million to pay for the reduction in the working week from 40 hours to 37½ hours. Taken together, this meant that the increase currently on offer was not 14% but over 20% - in addition to what had been paid following Clegg. Since the election, there had been a 50% or £800 million increase in the cash resources devoted to nurses. All but £60 million of this was for increased pay. The Government had set out to be fair and honourable to both doctors and nurses, and they believed they had been. It had to be remembered that there were some groups in the public sector and others in the private sector that had received less than 14% and had not benefited from reduced working hours. Taking together the Clegg award, the additions that had been paid, and the 14% on offer, she felt that the Government's record on nurses' pay was very reasonable. She recognised the Staff Side's concern about maintaining the relative pay of the nursing profession and their concern that there should be a permanent mechanism to achieve this. The Government were currently considering the whole question of public sector pay, and Dr. Vaughan had offered talks on the specific question of future arrangements for nurses' pay. The Government wanted its public servants to be paid well, but the nation's ability to pay had to be taken into account. She hoped that the nurses would look at all the improvements which had been made in nurses' pay and working conditions over the past year, and accept the 14% that was on offer.

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The Secretary of State for Social Services said that it had been made clear before the election that a repeat of the "four year ratchet" on nurses' pay must be avoided; and that was why a permanent solution, on the lines indicated in paragraph 94 of the Clegg Report, was needed. In comparing doctors' and nurses' pay, he hoped that the Staff Side would take into account the fact that since April 1978 the respective paybills had increased by almost an identical amount - 65½% for nurses (including the 14% offer) and 66% for the doctors. He hoped that they would also give the Government credit for the extra £116 million or 6.7% accounted for by the shorter working hours. As regards the point raised by Mr. Jones, it was not correct that the nurses would have to pay for the doctors' and dentists' award. The original cash limit for the health services, although it assumed some improved efficiency and cutting-down of waste, was adequate to cover the doctors' and dentists' award. Dr. Vaughan added that he hoped the Staff Side understood that the Government were sympathetic to their general case that their relative pay position should be maintained. He had already had a helpful meeting with the Staff Side, and he hoped that they could now accept the 14% on offer and then start discussions on future arrangements.

Mr. Williams said that, while they had had a useful meeting with the Minister, the situation was now changed by the doctors' and dentists' award. Notwithstanding the 65½%/66% figures quoted, if 1 April 1980 was regarded as the end of catching up for both groups, the nurses could not understand why they were now being offered 14% while the doctors were being given 18.7%. Mr. Jones said he still could not accept that the nurses would not be paying for part of the doctors' settlement: on his understanding, the doctors' and dentists' award would cost £50 million more than allowed for in the cash limit.

Miss Hall said the nurses could not accept that the extra £116 million was a bonus on top of the 14%. The Clegg Report was based on a 37½ hour week; the nurses therefore felt that they should be paid the recommended amounts for a 37½ hour week as a matter of natural right. The Prime Minister responded that the £116 million was still real money and had to be found by economising elsewhere in the public sector. She

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thought the nurses really ought to take it into account.

Mr. Williams said that they had come hoping for some indication that there might be a little flexibility on the 14%. He did not think that the explanations provided of how the Government was honouring its commitments would satisfy the nurses. Mr. Jones added that he and his colleagues had spelt out all the figures to their respective conferences, and there was no way of persuading their members that the 14% was enough.

The Prime Minister said that she had made it clear that she was not in the business of negotiating; but she was equally clear that the Government could not provide any further funding for the 1980 settlement. But the Government would certainly be considering the points in paragraphs 93-94 of the Clegg Report about future arrangements for nurses' pay.

Mr. Williams thanked the Prime Minister for the meeting but said that he and his colleagues were disappointed by the Prime Minister's response; he believed this would be shared by nurses generally. The Prime Minister said once again that the increase in the nurses' paybill since the election was very large indeed; in briefing the Press, the Government would bring this out.

12.

29 May 1980

P.M.

THERE IS GREAT DANGER IN PUSHING
"THE NURSES GOT 20%" LINE.

THE REST OF NHS EMPLOYEES WHO ARE
ON 14% WILL THEN BE AGGRIEVED, AND
SO ON THROUGH EVERYONE ON 14% CASH
LIMITS!

ARE WE NOT PREPARED TO INDICATE
THAT (1) LOOKED AT OVER 2 YEARS, AND
BEARING IN MIND HOURS REDUCTIONS,
DOCTORS + NURSES NOW [POST PRESENT AWARDS]
SEEM FAIR. [65-66% INCREASE FOR BOTH]

(2) DOCTORS + DENTISTS + NURSES WILL,
FOR FUTURE, BE TREATED THE SAME. ISN'T
THAT WHAT THEY WANT?

D. WOLFSON
29.5.80.

I am sure David is right about X1. But I doubt
whether we can say Y1: the doctors and dentists have a tenured
body but nurses of course do not.

PRESS LINE TO BE TAKEN FOLLOWING THE PRIME MINISTER'S MEETING
WITH REPRESENTATIVES OF NURSES:

The Prime Minister met 12 representatives of the nursing profession for nearly an hour and a half this morning at their request.

The nurses' representatives were led by Mr. D. O. Williams, Assistant General Secretary of COHSE, Chairman of the staff side of the Nurses and Midwives Whitley Council, and Miss C. M. Hall, Vice Chairman of the staff side and General Secretary of the Royal College of Nursing.

The Prime Minister was accompanied by the Secretary of State for Health and Social Security, Mr. Patrick Jenkin and the Minister of State, Dr. Gerard Vaughan.

Eight of the twelve representatives of the nurses spoke to explain their point of view. When they had done so, the Prime Minister made it clear that this was not a negotiating meeting.

When the Government came into office it was asked to make a number of pledges and it had honoured both its pledges to honour the Doctors' and Dentists' Review Board's Report involving catching up over three stages and the Clegg Award to the Nurses involving two stages.

The Government had done this in a very difficult period when no extra output had been achieved. That meant that some people had to be given extra at the expense of others.

In the case of nurses, however, it had not simply been a case of honouring Clegg. They had tried to do a little more in three respects, the main one of which was to fund in 1980/81 a reduction from 40 to a 37½ hour week at a cost of £116 million. Nurses had, in fact, got more than the 14 per cent award by Clegg for 1980/81.

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The Prime Minister also pointed out that since the Government came to office there had been a 50 per cent increase in resources devoted to nurses - representing a increase of £800 million; from £1,600 million in total to £2,400 million. All bar £60 million of this - i.e.£740 million - had been devoted to changes in pay.

All things considered, the Prime Minister said that this was not a bad record. Others, both in the public and private sectors, would get less than 14 per cent in 1980/81 and also would not get a reduction in the working week.

The Prime Minister stressed that the Government felt that it had more than honoured its undertaking to nurses. So far as the future was concerned, the Government was currently examining the whole question of public sector pay but she was unable to go beyond that.

NOTE

If a settlement for 1980 is reached within the 14 per cent limit, the total nursing paybill (Great Britain) will have increased since April 1978 by 65.5 per cent (from £1,450 million to £2,400 million). There is a slight element in this reflecting some modest increase in staff numbers, but most of the increase represents improvements in pay, allowances and working conditions. The effect for particular grades or individuals will vary with circumstances. In the same period, the total earnings of doctors have increased by some 66 per cent.

BI
29 May, 1980



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National Health.

10 DOWNING STREET

From the Private Secretary

29 May 1980

I enclose a copy of the record of this morning's meeting between the Prime Minister and the Nurses and Midwives Whitley Council.

I am sending a copy of this letter and enclosure to Martin Hall (HM Treasury), Richard Dykes (Department of Employment) and David Wright (Cabinet Office).

T. P. LANKESTER

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

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PRIME MINISTER'S MEETING WITH THE
NURSES AND MIDWIVES WHITLEY COUNCIL
AT 0930 HOURS, THURSDAY 29 MAY

Mr. Williams

Miss Cowie

Miss Hall

Miss Clague

Mr. Johnson

Mr. Jones

Mr. McKenzie

Mrs. Hardie

Miss Castle

Mr. Donnet

Miss Mowat

Mr. Rowden

c. Front Door

Duty Clerk