



PERSONAL AND CONFIDENTIAL

MR. WHITMORE

I learnt very recently that the Department of Health and Social Security now takes the view that it will not be possible to offer the nurses more than 6 per cent (or a shade of a decimal point or two above that), within the constraint of the 6 per cent cash limit.

2. I believe that the Government's position may become untenable, and its policy unsustainable, if the result of it is seen to be that, at a time when local authority workers and the teachers have been offered $7\frac{1}{2}$ per cent and the Civil Service 7 per cent, the nurses are offered only 6 per cent. If that really is the unavoidable outcome of sticking to the present course, we ought to be thinking now how we can avoid getting into that situation, and not waiting to get into it and then trying to find a way out of it.

3. Is this something which the Prime Minister should discuss with the Chancellor of the Exchequer and the Secretary of State for Social Services?

RA

Robert Armstrong

5th March 1981

1. Mr. Whitmore
2. Prime Minister

1. →
I very much agree with Mr. Henderson's suggestion but was
in a hurry for E(PSP) in this first place.
cc Mr. Vereker
MH
bin

In the note attached, Robert Armstrong suggests that you have a meeting with the Chancellor and Mr. Jenkin to discuss the nurses pay offer, which is likely to be 6 per cent.

The first Whitley Council (i.e. negotiating meeting) is provisionally set for 24 March, but may slip if DHSS cannot make progress with the health ancillaries (who have been offered 7½ per cent over 15 months).

The health ancillary settlement and the doctors settlement are, in my view, more important for the nurses than civil servants and local authority manuals; but the Doctors and Dentists Review Body Report probably won't be with us until the end of March.

Yes -
mr
Since we now have the Public Services Pay Committee under the Chancellor's chairmanship, surely the first thing we need is a paper by Mr. Jenkin to that Committee - rather than a meeting with you? Robert is obviously right in suggesting that we should not walk into a dispute with the nurses with our eyes closed, but if E(PSP) is to have any real purpose, it is to deal - at least in the first instance - with this kind of issue.

In the paper which I have suggested Mr. Jenkin should put to E(PSP) he ought to deal with the nurses and doctors linkage. Thus, it would be unwise to offer the nurses 6 per cent, and then accept a DDRB recommendation of, say, 9 per cent. (I have no idea what the DDRB are going to recommend, but it could be more than 6-7 per cent.) We ought to take a view in advance on how we would respond to varying DDRB recommendations if we are to make sense of the nurses negotiations.

6 March 1981



ACO
HM7

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Nat
Health

10 DOWNING STREET

From the Private Secretary

11 March 1981

E(PSP) 81 (10) 16.3.81.

Nurses' Pay

The Prime Minister understands that the negotiations on nurses' pay are due to start in the next few weeks. She thinks it would be desirable if your Secretary of State would bring forward an early paper to E(PSP) Committee on this subject.

The paper will presumably need to cover not only the pay increase that your Department believes can be afforded and the tactics for achieving a settlement at that figure, but also the various linkages the nurses may feel they have - for example, with the health ancillaries and the doctors. In the latter context, it may perhaps be necessary for E(PSP) to consider how the Government would respond to a DDRB recommendation of over 6-7 per cent if that is what the DDRB were to come up with.

I am sending a copy of this letter to John Wiggins (HM Treasury) and David Wright (Cabinet Office).

T. P. LANKESTER

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

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PERSONAL AND CONFIDENTIAL



Ref. A04431

MR WHITMORE

Nurses' Pay

Travis
Can you meet the
x/ p.
how
10:00

Thank you for your minute of 9 March.

2. I am entirely content that the subject should be raised in E(PSP); I think it would be a good idea if you inspired the Secretary of State for Social Services to put in a paper.

x |

RA

ROBERT ARMSTRONG

10 March 1981

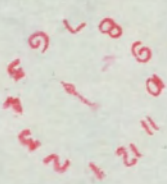
PERSONAL AND CONFIDENTIAL



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10 MAR 1981

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10 DOWNING STREET

From the Principal Private Secretary

~~BF 17.3.81~~

SIR ROBERT ARMSTRONG

Nurses' pay

I have shown the Prime Minister your minute of 5 March 1981 in which you suggest that the Prime Minister might discuss nurses' pay with the Chancellor of the Exchequer and the Secretary of State for Social Services.

She wonders whether, rather than holding an ad hoc meeting herself, this might not be a suitable subject for discussion, at least in the first instance, in E(PSP). If you agree, we will gladly inspire from here a paper for the sub-committee from Mr. Jenkin. Shall we do that?

CW

9 March 1981