

Prime Minister

*We must have
some idea of a before
meeting them
I see them first.*

Prime Minister to see

*N.P. G. Mitchell
Duty Clerk
11/12/81*

It is important that I report to you urgently on a meeting I had yesterday with the Staff Side of the Nurses and Midwives Whitley Council about the long-term arrangements for fixing nurses' pay.

2. The main conclusion I drew was that we must make early and tangible progress towards a new pay system. The Staff Side stressed that a succession of governments have failed to deal with the well known deficiencies of the pay arrangements. The nurses say that they have had plenty of fair words - appreciation of their devotion to duty and of the decision of many of them to eschew industrial action, and understanding of the essential nature of their work - but no tangible help. And even now (though the responsibility for this is in large measure theirs) little progress has been made with the initiative which this government took in August 1980.

3. One of our problems is to settle arrangements for the nurses separately from, and in advance of, the decisions which we shall be taking on Civil Service pay in the light of the Megaw Report. But I believe that even if final decisions on the details of the arrangements for nurses have to be deferred, we must as a minimum settle very quickly the general nature of the arrangements we are prepared to contemplate, and the timing of their implementation, so that the Management and Staff Sides of the Whitley Council, with the Department's help if necessary, can be given a firm steer as to the nature of the scheme they should try to work out.

4. Yesterday's meeting was amicable, and the nurses presented their case in a rational and measured way - indeed, they spoke

in terms which the public generally would find most persuasive. It was, however, clear that if there is no progress the atmosphere would quickly change, and that we could look for a confrontation.

5. We had a useful and constructive discussion on how to take matters forward. In view of what you said at Question Time yesterday, the discussion turned to a possible meeting between the Staff Side and yourself. The Staff Side made clear that they would greatly welcome this. My own view is that such a meeting would be helpful and would best take place early rather than later, so that it would serve to give additional impetus to the discussions I am initiating. I think it would be a mistake to keep a meeting with you in reserve because of the risk of its being seen as some kind of court of appeal. I therefore recommend that you should see the nurses' Staff Side as soon as it can be arranged.

6. What I have in mind is that, after such a meeting between the Staff Side and yourself, the Whitley Council, at a meeting which is due to take place on 12 January, should try to work out some broad, agreed ideas about the long-term arrangements. Then I would consider whether the Department could produce a paper, taking matters rather further, for a possible tripartite meeting involving the Department and both Sides of the Whitley Council, and possibly chaired by myself. It seems clear that before such a meeting can take place - and we agreed to aim to hold it before the end of January - there will have to be urgent consultations with Ministerial colleagues.



7. The nurses said little about the current pay round, since they have not yet formulated a claim. It was, however, clear that they will be looking for something in excess of the four per cent pay factor. The offer which has just been made to the local authority manual workers makes the four per cent pay factor even less palatable to the nurses - indeed, it will now be difficult to secure settlements at that level with any NHS staff groups - and makes it more likely that the nurses may raise this point also with you.

8. I am sending copies of this minute to the other members of E Committee, the Secretaries of State for Scotland and Wales and to Sir Robert Armstrong.

11 December 1981

Prof.

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From the Private Secretary



10 DOWNING STREET

Rob Hiltner
cc. Mr. Ingham
Mr. Vereker

15 December 1981

Dear David,

NURSES' PAY

The Prime Minister was grateful for your Secretary of State's minute of 11 December about his meeting with the Staff Side of the Nurses and Midwives Whitley Council about the long-term arrangements for fixing nurses pay.

AK
As you know, the Prime Minister has agreed to see the nurses on Friday, 18 December at 3.30 p.m. You have undertaken to circulate a draft brief to the other Departments involved as soon as possible; and I have asked Sir Robert Armstrong's office to ensure that there is full inter-departmental co-ordination of the brief. The Prime Minister hopes that the brief will set out and comment upon all the possible options for new long-term arrangements for fixing nurses pay; she recognises that it may not be possible or desirable to reach any final conclusion on this issue at this stage.

I am sending copies of this letter to the Private Secretaries to the Members of E Committee, the Secretaries of State for Scotland and Wales and to David Wright (Cabinet Office).

Yours sincerely,

Michael Scholar

David Clark, Esq.,
Department of Health and Social Security.

CONFIDENTIAL

Prime Minister

MR. SCHOLAR

Bernard Ingham, John Vercher and I have
discussed the timing of your seeing
the nurses. Agree to 21 December

c.c. Mr. Hoskyns

NURSES

(notwithstanding that it is uncomfortably near Christmas from a
publicity point of view, and that you won't have by then, or by 7 January,
much of an idea of a practical scheme for their pay) ? MGS 14/12

You and I had a word about the Prime Minister's comment on
Mr. Fowler's minute to her of 11 December. I understand that
the choice of dates for her to see the Nurses Staff Side is
21 December or 7 January. I have talked both to the Treasury
and to Peter Gregson in the Cabinet Office.

I am clear that the Prime Minister should see the nurses
sooner rather than later. The longer we wait, the more
expectations are built up, the more the Prime Minister is open
to criticism for not fulfilling the pledge she gave at Question
time last week, and the greater the risk that it will appear
as if she is taking the negotiations out of Mr. Fowler's hands.
And, in any case, given the holiday season, it is unlikely
that very much more in the way of firm policy would be
established in the course of the extra 2½ weeks. So I
recommend that the Prime Minister should see the nurses on
21 December.

As to what the Prime Minister could say, there is no agreed
Whitehall position at all. DHSS should be instructed to
clear a draft brief urgently with the Treasury and other
Departments with an interest in public service pay, and
with the Policy Unit. There will be difficulties, because
of our need to see what Megaw says, because of the danger of
being drawn into the 1982 negotiations, and because the
press is already talking about a separate Review Body for
the nurses (probably the worst option of all). But it should
be possible for the Prime Minister to be in the position of
discussing the pros and cons of various approaches, and the
Government's concern for market forces and affordability,
with the nurses. Peter Gregson would be prepared to take
a meeting later this week if necessary to clear the ground:
I suggest that you might say in your letter to Mr. Fowler's
office that the draft brief should be circulated in time for
inter-departmental discussion if necessary.

14 December 1981

J.V.

CONFIDENTIAL

MR. SCHOLAR

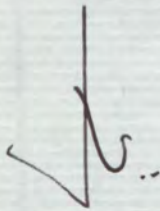
cc. Mr. Pattison
Mr. Ingham

NURSES' PAY

As you may know, Mr. Skinner has a question down for 17 December, which will be taken first, about nurses' pay. Because the Government has no clear position about pay determination arrangements for nurses, I had a word with DHSS about their briefing for this question. We are pretty much agreed on the line the Prime Minister will have to take, which is to continue to withdraw somewhat from the Vaughan letter of 28 August, 1980, which is a pure comparability system, and to make it plain that we must await the outcome of the Megaw Inquiry before going firm on any new arrangements.

However, there may be one new development, which is that Mr. Fowler will be seeing the nurses' staff side tomorrow afternoon, and I am told that he intends to invite them to put forward their ideas. It is certainly helpful that Mr. Fowler is taking over the negotiations from Mr. Vaughan; and I am told that he intends to report to the Prime Minister after the meeting. But there are dangers in having Mr. Fowler talk to the staff side in the absence of an agreed Government position on the future of nurses' pay. You may feel it would be useful to have a word with his Private Office and ask them to remind him of the importance of not making any new commitments, of the fact that any new system will have to take account of market factors and of the Government's ability to pay, and that we do not see how anything can be put in place in time for the 1982 negotiations.

Done



J. M. M. VEREKER

9 December, 1981

CONFIDENTIAL

DAILY MIRROR

26 June 1981

AMBULANCES

Maggie's broken promise

The Conservative view is that nurses and others working in the health service should be able to feel that their pay is the subject of special safeguards in return for an agreement not to strike.

—from a reply sent by Mrs. Thatcher's office to a letter from a Health Service worker in 1979

TORY opposition leader Margaret Thatcher told ambulancemen in March 1979:

"The Conservative view is that nurses and others working in the Health Service should be able to feel that their pay is the subject of special safeguards in return for an agreement not to strike."

Today 17,000 ambulancemen and women will stop work over a pay claim.

Militants in London, Northern Ireland, Scotland, Wales and the North East are expected to refuse even emergency calls.

But what makes a normally dedicated man, or woman in one of the

key sectors of Britain's emergency services pull out the plug and risk the lives of thousands?

The answer must lie in a string of broken promises.

Everything looked rosy after the ambulancemen's strike of 1979, during the "Winter of Discontent", when Labour were in power.

Professor Hugh Clegg's pay comparability commission, set up by the Labour Government, gave them rises in line with other emergency services.

Mrs Thatcher, however, described the Clegg commission as "inflationary", and last summer they axed it.

The ambulancemen's case, quite simply, is that they would be another £15.40 a week better off if Clegg's recommendations were used by the Government today.

Instead they are being offered six per cent—just £5.95 a week.

Policemen were awarded a 21.3 per cent rise last September. Firemen are to get 18.8 per cent.

Health Minister Patrick Jenkin says ambulancemen earn a good average wage of around £130 a week.

Former Coldstream Guards 'medic', Terry Pettifer, spokesman for London ambulancemen, says:

"We are forced to work long hours because present pay scales do not attract recruits.

"If we refused to work 16-hour shifts and at weekends, ambulances would not be available for ordinary tasks, never mind serious accidents."

Excessive hours boost ambulancemens: basic £76.60 a week to the "big money" figures which Health Ministers use to discredit the ambulancemen's case.

TERRY PATTINSON