

SUBJECT

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RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND THE NURSES AND MIDWIVES WHITLEY COUNCIL AT 1530 HOURS ON FRIDAY 18 DECEMBER 1981 AT 10 DOWNING STREET

Present:

Prime Minister	Mr. Williams
Secretary of State for Social Services	Miss Hall
Minister for Health	Mrs Wyndham Kaye
Sir Kenneth Stowe	Miss Castle
Dame Phyllis Friend	Miss Gibb
Mr. Benner	Mrs Hardie
Mr. Whitmore	Miss Nightingale
Mr. Vereker	Mr Bayley
Mr. Scholar	Mr MacKenzie
	Mr Jones
	Mr Clay
	Mr Donnet
	Mr McMillan

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Mr. Williams recalled that the Nurses and Midwives Whitley Council had met the Prime Minister once before, in May 1980. They were grateful for the Prime Minister's ready agreement to see them; and grateful to the Secretary of State for arranging the meeting, as he had undertaken to do.

Mr. Williams said that when the Prime Minister had seen them last year, she had taken the position that there was no possibility of the nurses securing a pay increase which was above the going rate at the time because of the difficult position of the economy at that time. Since then there had been continuing discussions aimed at reaching agreement on a mechanism to avoid an annual problem about what the pay of nurses and midwives should be. Dr. Vaughan had written in August 1980 setting out some general approaches which were for consideration by the Whitley Council. The Staff Side had taken this not to be an offer to re-open the 1980 pay negotiations, and had suspended active consideration of Dr. Vaughan's letter during the negotiation of the 1981 pay increase. The agreement on this had been reached in July. Shortly thereafter, in August 1981, the Staff Side had submitted its response to Dr. Vaughan's letter. There were,

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therefore, valid reasons for the length of time which had elapsed between Dr. Vaughan's letter and the Staff Side's response. In their August response to Dr. Vaughan's letter they had outlined a number of ways in which progress could be made. The Clegg Report had suggested a number of analogues - for example between a senior houseman and a ward sister; there were also suggested analogues with teachers in colleges of further education. Either of these arrangements would provide an immediate improvement in nurses' and midwives' pay prospects. Alternatively, some form of indexation could be devised, where their pay could be linked to average earnings, or some sub-group of average earnings.

The reply to a Parliamentary Question of 26 October had come as a considerable shock to the Staff Side. This indicated that there would be nothing for nurses and midwives in the 1982 pay round beyond the increase which would be available for the generality of the public sector. This had led to a feeling of betrayal on their part. They could not accept that it was necessary to await the Megaw Report. The time for action on nurses' pay was now. Mr. Williams concluded by saying that they had had the privilege of approaching the Prime Minister more than any other group of workers in the country. They hoped that their meeting today would produce something tangible for 1982.

Miss Hall said that the professions felt strongly that the time had come to establish a fair and just level of pay now and in the future for themselves. She was sad to say that whenever employees in the National Health Service had been given a decent pay rise it had rapidly been eroded in the succeeding years. There was wide recognition in the country at large of their dedication; but they were obliged to campaign, march and lobby to secure the remuneration which was their right. This was unacceptable. What they wanted was to have their pay put on a proper footing, so that there would be no more need for future meetings with the Secretary of State and the Prime Minister.

Mr. Jones said that the nurses and midwives were doing essential and arduous work. Please could the uncertainty of their pay be cleared up once and for all?

/ The Prime Minister

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The Prime Minister said that the Government had tried to do its best for the National Health Service. They had maintained expenditure on the NHS in real terms; indeed they had increased it. There had been an increase of ^{the equivalent of} 21,000 in full-time nurses and midwives since May 1979. The actual numbers were higher than this, because there were more part-time workers. There were more doctors too. The nurses and midwives hours in a working week had been reduced from 40 to 37^{hours}₂. In May 1979 the pay bill for nurses and midwives had been £1.45 billion. It was now £2.55 billion. This was an increase of some 75 per cent. She recognised that, notwithstanding these figures, each employee looked at his or her individual remuneration. The Prime Minister speculated that it might be that those at the top end had done better than others. Waiting lists were shorter, and turn-around in the health service was faster. She congratulated them on this improved efficiency.

The Prime Minister said she saw little point in commenting on the history of the efforts to reach agreement on long-term pay arrangements. The truth of the matter was that we had not got very far yet. She thought it vital that there should be an agreed machinery. It was most disappointing that no agreement had yet been reached. The Megaw Inquiry had been asked to report quickly and the Government was now putting in its evidence. We should try to find some way of making progress with the arrangements for nurses and midwives in parallel with Megaw's deliberations.

Mr. Fowler said that, after initial delay, they were now making good progress in the talks on long-term arrangements. Following his meeting with the Whitley Council several weeks ago, there would be another meeting at the end of January or in early February. The DHSS would put in a paper for this meeting, and he hoped that some of the options could then be eliminated. The Government was very anxious to find satisfactory long-term arrangements, and concerned not to lose time. It was not a question of waiting for Megaw, but of acting in parallel, and of having regard to the approach which informed the Government's attitude to the subject of Megaw's report.

Mr. Williams said that they believed that Megaw had no relevance to their problem. Their historic links had never been with the Civil

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Service, and there were no analogues between Civil Service pay and theirs. Their aim was to have a decision reached in time for implementation by April 1982.

The Prime Minister said that she very much doubted whether the right long-term arrangements would be agreed in time for implementation by April 1982. She thought that it would be realistic to plan on implementation in April 1983. She could not offer a blank cheque to implement, at any date, whatever was agreed. The Government had been obliged this year to disappoint the doctors' pay hopes. The Prime Minister referred to the recent local authority manuals' pay settlement, and said that the position was somewhat less difficult here, in that the local authority pay bill comprehended a number of different groups of workers; so that an excessive increase for one group could be accommodated within a given total by compensating savings elsewhere. The Prime Minister said that it was her problem to put together the increases which all groups sought, and to see whether the implied consequential tax burden would be tolerable. She reminded the Staff Side that it was their members, among others, who would have to meet this tax bill. We all paid one another.

Mr. Williams said that they recognised that their present discussions were not about the present pay round; they could not be, since they had not yet formulated their claim. But if they were to accept that implementation of the new pay arrangements could not be before 1983, they would have failed. As to the Prime Minister's figure of 21,000 extra nurses and midwives, he commented that a more relevant figure was the numbers who were entering into training. Last year's number was worse than the year before's, and that was worse than that of the year before. There was no rigid grid on nurses' and midwives' pay, and no rigid links in the past with the pay of any other groups. He could not see why their discussion should be constrained by the timing of the Megaw Report. The Prime Minister said that the Civil Service had been deeply troubled by the change in their pay arrangements, and Government had thought it right to appoint a truly independent inquiry, headed by a judge. They were looking to this to reach conclusions on future pay policy, in particular how to reconcile cash limits with other pay policy objectives. In the light of this, it would simply not be possible

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to come to conclusions on nurses' and midwives' pay in an entirely different timescale from that of Megaw.

Mr. Williams asked if the Government would show its seriousness by offering something on account for the April 1982 settlement. The Prime Minister said that it would be dishonest of her to give promises ahead of time, before she knew, for example, what resources were available. She could not give a blank cheque to anybody. Miss Hall enquired whether there was then no hope of any action before 1983? Mr. Jones, while acknowledging the honesty of the Prime Minister's unwillingness to give any hints or promises at this stage, made the same point. The increase in nurses' lodging costs from April 1982 onwards was likely to be higher than the increase in pay they then secured. Perhaps the April 1982 settlement could be backdated even if a new system was ready by then. Mr. Bayley also asked for some payment on account, commenting that the nurses had had lower rises than most other groups, including the Civil Service.

The Prime Minister said, again, that she hoped that the new arrangements would be in place for 1983. But she could not be expected to make any promises as to the 1983 settlement at a time when even the 1982 claim had not yet been submitted. The Government was doing its best for the NHS; it was a good best.

Mr. Williams said that if there was to be no action in April 1982 it seemed clear that they were engaged in a wholly academic exercise. He felt despair at this continued inaction. He and his colleagues would have nothing to say to those who had sent them to Downing Street. Mr. Jones added that this was a great disappointment to all his colleagues. They had had less than so many groups, including the Cabinet (he excepted the Prime Minister and the Lord Chancellor from this comparison).

The Prime Minister said that she was committed to the search for agreed and durable long-term arrangements. The nurses and midwives deserved these particularly, given their unwillingness to use their industrial muscle as other groups were prepared to do. She would take a personal interest in the progress of the talks. They had to recognise that the Government was doing its level best against the resources available in a difficult time. It was the Government's intention to have a long term agreement which would work and which the Government could afford.

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The meeting ended at 1700 hours.

21 December 1981

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National Health
File 800

cc. Education Dept.

10 DOWNING STREET

From the Private Secretary

21 December, 1981

Prime Minister's Meeting with Nurses and Midwives
on Friday, 18 December

I attach a record of the meeting which the Prime Minister took with the Nurses and Midwives Whitley Council on Friday, 18 December.

I am copying this letter and enclosure to Peter Jenkins (Treasury), Richard Dykes (Department of Employment), Muir Russell (Scottish Office) and David Wright (Cabinet Office).

M.C. SCHOLAR

D. J. Clark, Esq.,
Department of Health and Social Security

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