

PRIME MINISTER

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It is time to bring colleagues up to date on recent developments and future prospects in the NHS pay dispute.

Industrial action began in late April. It has taken the form of isolated national days of action, with local action in the meantime, and there are to be three further days of action on 19 - 21 July. The effect on the NHS has been patchy. Some hospitals have been almost untouched, but in others, especially in the north, the effects have been serious. A number of hospitals have been reduced to an emergency service - that is there are no routine diagnoses or operations - and even that is maintained with difficulty and because some members of the staff are willing to take on extra duties and to work very long hours. I attach a report on my visit to St Thomas' Hospital last week by way of illustration. It should be emphasised that, over the country as a whole, all medical staff, the vast majority of nurses and many other staff are continuing to work.

But the dispute is becoming increasingly politicised. The TUC has encouraged secondary action by the members of other trade unions, and on 19 - 21 July the health service unions have been asked to encourage secondary action by all their members who work in other industries. The attack is not just on pay, but on our industrial relations policies generally (with particular reference to the Employment Act 1980) and on our financial policies (including the provision for funding the NHS). There are undoubtedly elements in the TUC which would like to provoke a general confrontation with Government.

Our public position has been greatly strengthened by the provision of extra funds which has made possible offers of 7.5 per cent to nurses and the professions supplementary to medicine, and at least 6 per cent to everyone else. The immediate task is to persuade all concerned that this is our final position, and that the best course is for the staff to return to the negotiating table on the basis of the extra cash now available. This lesson will be driven home by the issue within the next few days of a circular to health authorities (and a Parliamentary reply) making clear the effect which the revised pay offer will have on

the resources available for maintaining or developing health services. We are also taking other more direct steps to convince other NHS staff that no more money will be made available.

The length and conspicuous nature of the dispute, and the increasing political overtones, mean that this is a battle which we cannot afford to lose. The TUC have, for the first time, chosen to co-ordinate and orchestrate a number of separate NHS pay disputes. In doing so, they have put up the political ante in a way which makes it necessary for us to stand absolutely firm. We must, in other words, win on our terms: there is in particular no scope for further increases in the pay offers now being made by Whitley Councils. There are several reasons for this in addition to the obvious political imperative. The major ones are that it would be unacceptable for the ancillary staff to receive larger pay increases than the Armed Forces and the Civil Service, and that it would be impossible to divert more of the NHS financial allocations to pay without causing cuts in health services of the most damaging kind.

I cannot predict how the dispute will develop. It may be that, after the next days of national action are over, staff will gradually lose interest in industrial action. The holiday season and the accumulation of significant amounts of back pay may encourage this. Even on this relatively optimistic basis, industrial action is likely to drag on after, and perhaps long after, Parliament has risen for the summer recess. The public, and our own backbench supporters, will rightly be disturbed; but I hope that colleagues will take every opportunity of publicly stressing that, with the improved pay offers which the availability of extra resources has made possible, continuing industrial action is entirely unnecessary, and that responsibility for its continuance, with all the consequential harm done to patients, lies at the door of the trade unions. The message to get across is that the pay offers are fair, that there is no question of their being increased, that the public is being made to suffer for no good reason, and that the proper course is to return at once to the negotiating table.

I am sending copies of this minute to other Cabinet colleagues and to Sir Robert Armstrong.

12 July 1982

  
N F

CONFIDENTIAL

REPORT ON A VISIT TO ST THOMAS' HOSPITAL, LAMBETH, FRIDAY  
9 JULY 1982

### Background

St Thomas' has no history of industrial relations problems. But the current bout of action in the NHS is hitting it badly.

I met the Health Authority Chairman Mr Lionel Cowan and the District Management Team. They briefly outlined the problems. I also met a union deputation. In my tour of the hospital I visited operating suites, the Intensive Care Unit, an orthopaedic ward and the Central Sterile Supplies Department (CSSD). I met doctors, nurses, patients and the CSSD manageress. I ended my visit with a discussion with the District representatives and other members of St Thomas' medical staff.

### Position today

The industrial action which had affected the hospital since 23 June was being taken by only 25 employees subsidised by a levy from their colleagues. It was confined to the CSSD and the Central Stores but reinforced by picketing at the hospital's main entrance. The effect on patients had been considerable. St Thomas' 1018 beds had been reduced by 8 July to some 650. Six wards were closed, one a children's ward.

Over 1000 operations had been postponed: a maximum of five theatres were now in use, carrying out 30 operations a day instead of the normal 14 carrying out 120. Clinicians explained that between obvious emergencies (eg appendicitis) and operations which were clearly not urgent was a large group of cases where an operation was urgently needed but it was not possible to argue that hours, or even days, would affect the outcome. Doctors were now having to decide which of these cases should take priority for surgery.

The patients involved included sufferers from cancer and heart disease, for whom the postponement of operations caused great mental anguish. In the orthopaedic ward waiting lists were growing fast. Further delay of such operations as hip replacements, though not life-threatening, meant much extra discomfort.

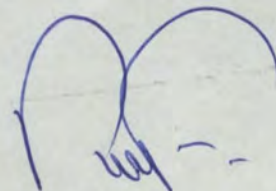
In the CSSD a service was being maintained by volunteers from the senior nursing staff who were packing sterile supplies at the same time as being 'on call' for their normal duties. The manageress said they were using contingency reserves and were constantly worried that demand might outstrip supply. The previous weekend a heavy caseload in casualty, including 10 stabbings, had put serious strain on CSSD.

Delays in mail had occurred because Post Office workers had refused to cross picket lines. Contact with Post Office management and trades union officers at national level had not so far resolved the problem. The Chairman of the Pathologists' Committee was concerned that vital clinical specimens were deteriorating in the post. Not only did this affect patients inside and outside St Thomas' it presented a possible public health hazard.

The attitude of pickets varied from day to day. For example, since post had been allowed in that day, linen had not. Even the hold up of so-called 'inessentials', eg toilet rolls, could cause problems for nurses responsible for patient care. The collection of rubbish had been severely reduced though it did not yet present a serious health hazard. However, catering, domestic, portering and maintenance services were operating normally.

### Conclusion

One could not have a more telling demonstration of the hypocrisy of the unions' attempts to present their action as not seriously affecting patient care.



N.F.

12 July 1982



10 DOWNING STREET

Premier Minister

S/S DM 62 65 PM 12 7 82

Mr. Fowles is coming to see  
you at 12.45 tomorrow when he  
will bring you up to date  
on the NHS pay dispute.

You will, therefore, wish to read this  
before you see him.

Alan Sayer

Duty Clerk

12/7