

PRIME MINISTER

NHS PAY DISPUTE

You and Cabinet colleagues will wish to know how matters stand.

The result of the ballot by the Royal College of Nursing was announced on 26 August, and showed a two-to-one majority against the 7.5 per cent pay offer on a turnout of just under 50 per cent. I have made clear in my public comments that there is no question of more money being made available, and that arbitration or mediation this year, which the RCN appears to favour, is therefore not acceptable to us. I shall be repeating these points when I meet representatives of the RCN, at their request, on 3 September.

Also on 26 August, the TUC Health Services Committee issued a statement about their plans for the future conduct of the dispute. The statement consists mainly of rhetoric. For the rest, Committee tells local co-ordinating committees to continue and intensify industrial action, and calls for a national stoppage by NHS staff on 22 September (with emergency services continuing to be provided) and a national rally in London. Other unions are asked to support the stoppage and the rally.

The situation in the National Health Service in England is better than reports in the media suggest. The position improved substantially after the 5 days of national action were over, and has continued to improve subsequently. Over much of the country, services are being provided at normal levels or not much below. There are, however, areas in the Midlands, North West and North where continuing industrial action is having a serious effect on services, and there are two or three black spots (eg Oldham, Rotherham) where the position is very difficult.

Can we start to  
put across the enormous  
increase in nos since 1961  
and, ∴ the extra manpower  
cost per bed and per patient?  
not.



E. R.

Overall, therefore, the position is tending to improve, and there is no question at all, as reports in the media might suggest, of the widespread collapse of health services being near. We must wait to see whether, in the light of the outcome of the RCN ballot, local activists intensify industrial action in some areas. But there is some encouragement in the fact that the national action called for by the TUC Health Services Committee is both delayed and relatively modest.

I shall be bringing this report up-to-date shortly, in the light of reactions to the result of the RCN ballot and the decisions of the TUC Health Services Committee and shall then hope to make proposals about the future handling of the dispute.

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



27 August 1982

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Nat Health

10 DOWNING STREET

*From the Private Secretary*

31 August 1982

NHS Pay Dispute

The Prime Minister has seen your Secretary of State's minute of 27 August. She has commented that there has been an enormous increase in staff numbers in the NHS since 1961, and that the manpower cost per bed and per patient has consequently risen as well. She wonders whether it would be useful for Ministers to draw attention to this in arguing for a reasonable pay settlement in the NHS this year.

I should be grateful if you could let me know as soon as possible if you have any problems with this line of argument.

**I.W.F.S. RICKETT**

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

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