



PRIME MINISTER

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*H Committee has now
settled terms to succeed
Crombie, to be applied in
the NHS reorganisation*

MAD 19/2

In my minute of 24 January I gave a first report of the discussion at Home and Social Affairs Committee of the proposal of the Secretaries of State for Social Services and for Wales for a package of compensation and protection terms for staff affected by the forthcoming reorganisation of the National Health Service.

The Committee postponed taking decisions on the elements of the package at its earlier meeting to enable the Minister of State, Civil Service Department, to circulate a memorandum about the future of the Crombie Code. The Code was first introduced in the late 1940's to safeguard the interests of staff affected by nationalisation. It is now out-dated. It is complex and expensive to administer, and because it applied only to statutory reorganisations, it is anomalous in its effects. It would in the case of the NHS have been available in England but not in Scotland or Wales. The Committee have agreed that the Code should not be used in future, and that it should not be applied to the NHS reorganisation.

The Government cannot however announce the general abandonment of the Crombie Code without consultation with the CBI and the TUC, who were parties to its original adoption. The Minister of State, Civil Service Department and the Parliamentary Under-Secretary of State, Department of Employment, are giving further thought to this question. The Minister for Health will in the meantime have to discuss the position of staff affected by the reorganisation in the Standing Committee on the Health Services Bill. In defending the decision not to apply the Crombie Code he will need to rely as far as possible on the argument of equality of treatment for Health Service Employees in England, Scotland and Wales, but may also refer to the shortcomings of the Code. If pressed, he will have to say that the Government are reviewing the future of the Code more generally.

If the Crombie Code is not to be available, staff interest will focus on the other parts of the package. The Committee have now been able to reach agreement on a premature retirement scheme for offer to those in the NHS who are likely to lose their employment as a consequence of statutory or administrative change. Terms for premature retirement will be available for offer to staff who are aged 50 or over provided they have not less than 5 years reckonable service. The new scheme will not be discriminatory, ie it will apply to all grades of staff, and not just to Chief Officers, as did the 1974 scheme. It will provide the same enhancement of pension as the parallel local government scheme, and will be available at the discretion of the employing authority operating within guidelines.

/Agreement has also

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2.

Agreement has also been reached on proposals for the protection of terms and conditions of service of staff who remain in NHS employment but who are obliged to accept poorer jobs than they have now. The necessary enabling powers to be taken in the Health Services Bill.

I am copying this minute to the Members of H Committee and to Sir Robert Armstrong.

W. W.

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February 1980

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National Health

20 February 1980

The Prime Minister has seen the Home Secretary's minute of 19 February, in which he reported that the members of H Committee had now reached agreement on a premature retirement scheme for NHS staff affected as a consequence of statutory or administrative change.

The Prime Minister was grateful to be informed of the Committee's decisions.

I am sending a copy of this letter to David Wright (Cabinet Office).

M. A. PATTISON

John Chilcot, Esq.,
Home Office.

DS

National Health



Minister of State

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15 February 1980

Dear John,

Not agreed to No 10.

NHS REORGANISATION: COMPENSATION TERMS

The Secretary of State for Social Services sent my Minister of State a copy of his letter to the Home Secretary dated 15 February confirming his acceptance of the package of terms agreed by officials for a premature retirement scheme in connection with the NHS reorganisation.

The Minister of State is content.

I am copying this letter to the Private Secretaries of the members of H Committee and to Sir Robert Armstrong.

Yours sincerely
Gary Rogers.

G D ROGERS
Assistant Private Secretary

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