



Treasury Chambers, Parliament Street, SW1P 3AG
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PRIME MINISTER

PAY ARRANGEMENTS FOR NURSES AND RELATED NHS GROUPS

The Ministerial Sub-Committee on Public Service Pay had a discussion on 1 November (E(PSP)(82)6th Meeting) about possible ways of implementing our commitment to "search for agreed and durable long-term arrangements" for the pay of nurses and certain other National Health Service (NHS) groups (midwives, health visitors and some of the professions supplementary to medicine). We took as the basis for our discussion a report on the options available by the Official Committee on Public Service Pay (E(PSP)(82)22). The report examined three main options: the existing free collective bargaining arrangements supplemented by systematic data collection and/or arbitration by agreement; constrained collective bargaining on similar lines to that proposed in the Megaw Report for the Civil Service; or a pay review body.

2. The Secretary of State for Social Services argued strongly in favour of a review body on the grounds that an offer of merely modest improvements in the existing arrangements would be inconsistent with the Government's commitments to the nurses; that a review body would avoid the delay and complications involved in trying to set up a Megaw-type system for the nurses while negotiations on similar issues were in progress with the Civil Service; and that a review body could be held to be particularly appropriate for the nurses and related groups, by analogy with the existing Doctors and Dentists Review Body (DDRB), on the grounds of professional status and attitudes to taking industrial action. Although you had told the nurses at your meeting with them on 18 December 1981 that you hoped that new arrangements would be in place for 1983, the review body's recommendations would take effect from 1 April 1984.

3. The Secretary of State for Social Services also proposed that the offer of a review body should be announced along with the revised pay offer for the nurses and related groups for which he would be seeking authority from the Cabinet on Thursday 4 November, with a view to enabling the Management Side of the Nurses and Midwives Whitley Council to table new proposals at their meeting on 9 November. The revised offer, like that tabled on 16 September, would cover the two years to 31 March 1984. The improvement would consist of

of SV 9

Prime Minister (1)

Mr Fowler and

Ken Clarke

are coming for a

word at 1700

tomorrow.

MW 2/11

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the extra $\frac{1}{2}$ per cent in respect of 1983-84 which had been envisaged as a margin for negotiation on the 16 September offer.

4. The Sub-Committee agreed, albeit with some reservations, that it would be desirable to offer a review body to the nurses and other groups. They were reluctant to see the extension of non-market pay determination machinery to such a large proportion of the public services (around $\frac{1}{2}$ million staff) and they foresaw problems in reconciling the review body's recommendations with cash limits, bearing in mind the difficulty of overriding recommendations in respect of the nurses, and the high proportion represented by pay within the overall NHS cash limit. On the other hand, the Sub-Committee felt that the remaining options were even less attractive. The statistics (Annex C of E(PSP)(82)22) indicated that the operations of the DDRB had not over time led to excessive remuneration for its groups. Unless a review body was offered, the nurses would be likely to press for a single-man inquiry into their pay arrangements and this would have unpredictable and probably unwelcome consequences.

5. The Sub-Committee considered that the offer of a review body should be subject to the following conditions and qualifications:

- i. it should be conditional on acceptance by the nurses and related groups of the revised pay offer;
- ii. the review body should have no scope to examine the adequacy of pay before 1 April 1984; the levels in force at that date would be the basis for its future recommendations and it should be precluded from proposing a "catching-up" increase on the grounds that the pay levels of the groups within its terms of reference had fallen behind those of other groups;
- iii. in making its recommendations, the review body should be required to take account of management needs in terms of recruitment, retention and motivation, and affordability; its recommendations would be subject, like those of other review bodies, to override on occasion; and implementation would have to be considered in the light of the cash limit, as with other review bodies;



- iv. detailed proposals for setting up the review body (covering terms of reference, membership and other matters) would need to be approved by Ministers as soon as possible,
- v. it would need to be made clear publicly that the offer of a review body reflected the special status of the nurses and related groups and that the Government would not think similar arrangements appropriate for other groups either in the National Health Service or elsewhere in the public services.
6. The Sub-Committee also considered that, before any new pay offer was made to the nurses and related groups, there should be a very high probability of acceptance, and of agreement in due course in the Whitley Council machinery, despite opposition from the affiliated trade unions. The Secretary of State for Social Services is confident that on this occasion there will be a recommendation for acceptance by the Council of the Royal College of Nursing (RCN) and, although there will be a need for them to consult their members, he is hoping that the RCN will not consider it necessary on this occasion to have a ballot.
7. The presentation of any new pay offer is clearly of vital importance. The Sub-Committee considered that the Government should not only make it clear that there had been no new money offered in respect of 1982-83, but should also seek to avoid the impression of a double-figure offer and to minimise any adverse repercussions of the provision for 1983-84 on the new pay round. It might be helpful to indicate that the marginal improvement in respect of 1983-84 would have to be financed in due course by improvements in efficiency. The Secretary of State for Social Services will be putting forward his latest ideas about the shape and presentation of the revised pay offer to the Cabinet on 4 November. He will also be giving his latest assessment of the prospects of a settlement with the remaining NHS groups. It must be assumed that any marginal improvement in the offer made to the nurses and related groups will have to be available in due course to the other NHS groups, but the timing of such an offer remains for consideration.
8. I am sending copies of this minute to members of E(PSP), to Mr Sparrow and to Sir Robert Armstrong.

G.H.

(G.H.)
2 November 1982

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Nat Health

Nurses pay

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