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groups whose pay has historically been dealt with along with that of the nurses and is currently dealt with by the Professional and Technical "A" Whitley Council. The professional associations, especially the Royal College of Nursing (RCN), are pressing for the review body to cover only qualified staff and those in training. The Government has however never suggested that the terms of reference would be tightly drawn in this way and to do so now would raise accusations of bad faith which it would be difficult convincingly to rebut. When the Government committed itself to seek an improved method of pay determination for nurses there was never any suggestion that it would apply only to qualified nurses. You will recall that your own meeting in December 1981 with the nurses was with the whole of the Whitley Council Staff Side. The Secretary of State for Social Services is satisfied, from informal consultations, that the RCN will be prepared to cooperate with the new review body on the basis proposed, although careful attention will be paid to the handling of this aspect.

4. The Secretary of State for Social Services envisages that the review body should deal only with pay (as is the case with the DDRB) leaving other conditions of service to be negotiated separately, initially in the Whitley Council but possibly in the longer term directly between the professions and the Department of Health and Social Security. The Sub-Committee was persuaded, on balance, that this was inevitable, since the workload on the review body would be too great if it had to deal in detail with conditions of service. Arrangements will be made, as in the case of the DDRB, for the review body to be kept closely in touch with any proposals for changes in conditions of service, so that these can be fully reflected in its recommendations. The Government's consultation document on the review body will leave open the question whether in the longer term the Whitley Council should be retained or whether negotiations on other conditions of service should be conducted directly with the Department. This is an aspect which will require further consideration in the light of the views expressed on the consultation document.



5. The proposed terms of reference are broadly similar to those of the existing review bodies, namely:

"To advise the Prime Minister on the remuneration, with effect from 1 April 1984 and subsequently, of:

(i) nursing staff, midwives and health visitors employed in the National Health Service;

(ii) physiotherapists, radiographers, remedial gymnasts, occupational therapists, orthoptists, chiropodists, dieticians and speech therapists, employed in the National Health Service."

6. You will recall that colleagues were concerned that the review body should be required to take fully into account in its recommendations market factors and affordability; and that it should be precluded from reopening the 1983-84 pay settlement or from proposing any form of substantial "catching up" increase. The Sub-Committee concluded that it was desirable to keep the terms of reference in line with those of the other review bodies. The Secretary of State will however make clear in the announcement, and in the consultation document, that the Government will expect the review body to give due weight to economic and financial considerations and to market factors. The Government's evidence will, in addition to dealing with these matters, state strongly the arguments both general and particular against a "catching up" increase. All these points will be stressed informally and at a very early stage to the Chairman and members of the review body, so that they will from the outset be in no doubt as to the Government's view.

7. It is intended that the Government should indicate that it would accept and implement the review body's recommendations "unless there are clear and compelling reasons for not doing so". This is the

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formula which has been used in the case of the DDRB and the other review bodies. It has enabled the Government to modify the recommendations in the DDRB's last two reports.

8. The Secretary of State intends to issue a detailed consultation document shortly with the aim of reaching final decisions in March and of establishing the review body shortly thereafter. If the review body is to present its first report in time for a settlement to be concluded by 1 April 1984, it will need to begin work soon. The Secretary of State will clear the text of the consultation document and of his announcement of the Government's proposals for the review body in correspondence with the Sub-Committee.

9. I am sending copies of this minute to the members of E(PSP), to the Secretaries of State for Scotland, Northern Ireland and Wales; and to John Sparrow and Sir Robert Armstrong.

(G.H.)

27 January 1983

NHS ! Nurses pay Pt 2.



31 JAN 1993



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Next Health
yb

10 DOWNING STREET

c. D/M
CDL
CS, HMT + MOD
DHSS
DOE
LPO
+ Below
DES

From the Private Secretary

4 February 1983

Review Body for Nurses and Related Groups

The Prime Minister was grateful for the Chancellor's minute of 27 January, in which he set out the conclusions of the Ministerial Sub Committee on Public Service Pay E(PSP) on the composition, coverage and terms of reference of the Review Body for Nurses and Related Groups.

The Prime Minister has doubts about a number of aspects of these proposals. She would prefer the Review Body to cover only qualified staff and those in training. She is doubtful about the proposal that the Review Body should deal only with pay leaving other conditions of service to be negotiated separately. The Prime Minister has also enquired whether there will be any further need for a Whitley Council once the Review Body is in place.

On the terms of reference of the Review Body, Mrs Thatcher understands the argument that it is desirable to keep the terms of reference of all the Review Bodies in line with one another; but this leads her to the view that market factors and affordability should be included in the terms of reference of all the Review Bodies.

Finally, the Prime Minister has asked whether it would be possible in the preamble to the terms of reference to indicate that it was the nurses unwillingness to strike which had justified the setting up of the special arrangements for them; this would prepare the way for dismantling the Review Body if, subsequently, the nurses went on strike.

I am sending copies of this letter to the Private Secretaries to the Members of E(PSP), the Secretaries of State for Scotland, Northern Ireland and Wales and to John Sparrow and Sir Robert Armstrong.

M. C. SCHOLAR

Ms Margaret O'Mara,
H.M. Treasury.

B...

MR SCHOLAR

cc Mr Mount

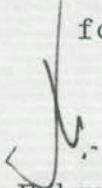
PROPOSED CONSULTATIVE DOCUMENT ON THE NURSES' REVIEW BODY

I have only just seen the draft enclosed with the letter of 28 January from Mr Fowler's Private Secretary. I would like to make three points:

(i) Whether this announcement can be made at all depends on the Prime Minister's reaction to the proposals for the Review Body contained in the Chancellor's note of 27 January, on which I commented on 31 January. In particular, we need to decide whether market factors should be incorporated into the terms of reference;

(ii) The next question is whether this announcement should be made by the Prime Minister or by Mr Fowler. Mr Fowler suggests the Prime Minister, which I suppose could be defended in that she would appoint the Review Body's members and receive its reports. But it was Mr Fowler who announced on 9 November that there would be such a body, and it is to Mr Fowler that we would want reactions to the consultative document to be sent. I think he should make it;

(iii) It would be best to delete much of paragraph 2 of the draft. The DDRB precedent is by no means helpful, with its references to fair treatment and hangovers of the days in which pay was unrelated to market forces. All paragraph 2 needs to contain is a statement that the Government will expect the Review Body to take account of market factors, and a reference to the DDRB precedent that its recommendations will be accepted unless there are clear and compelling reasons for not doing so.


2 February 1983

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MR SCHOLAR

cc Mr Mount

THE REVIEW BODY FOR NURSES AND RELATED GROUPS

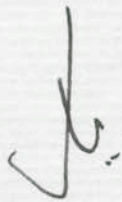
The Prime Minister mentioned this morning that she had doubts about two aspects of the proposals, summarised in the Chancellor's note of 27 January, for this Review Body:

(i) Coverage. Peter Gregson's group recommended, and E(PSP) endorsed, coverage consistent with the Government's commitment to seek an improved method of pay determination for nurses. I agree. It was never suggested that that commitment would apply only to qualified nurses, and the Prime Minister's meeting in 1981 was with the whole of the Whitley Council Staff Side, who negotiate on behalf of nursing auxiliaries and nursing assistants as well as qualified nurses. The Prime Minister is right to worry about the numbers involved - on top of the 277,000 qualified nurses, the Review Body will be covering another 222,000 student nurses and unqualified nursing staff. But excluding the latter would leave the Government (and the Prime Minister) open to charges of bad faith;

(ii) Market Factors. Ferdie and I would both have preferred to see a recommendation that the Review Body's terms of reference explicitly cover the need for market factors to determine the size of the pay award, and I argued for that in the Official Group. Mr Fowler believes, however, that this would be unnecessary and unhelpful, particularly because it would imply that the new Review Body was less independent than the others (and a very good thing too, in our view). We should be delighted if the Prime Minister were to ask the Chancellor to reconsider this point, but Ferdie and I concluded that it was not really worthwhile trying to get it changed, given the strength of Mr Fowler's feelings;

I am content with the other proposals for this Review Body.

The Prime Minister should also be aware that Mr Fowler will shortly be circulating to E(PSP) proposals for pay determination arrangements for other NHS groups. Mr Fowler made a commitment during the NHS pay dispute to enter into discussions with the unions about this; and the proposals which have been circulated at official level indicate that he is thinking in terms of a process of "constrained collective bargaining" very similar to the Megaw proposals for the Civil Service. A comparability process would establish a range in which negotiations would take place. I am not at all happy about his proposal, which looks as though it would take yet another large group of public servants into a comparability based system, and when Mr Fowler circulates his E(PSP) Paper we shall probably need to intervene.



31 January 1983

PF



PA

Prime Minister

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DEPARTMENT OF HEALTH & SOCIAL SECURITY
Alexander Fleming House, Elephant & Castle, London SE1 6BY
Telephone 01-407 5522

From the Secretary of State for Social Services

John Kerr Esq
Private Secretary to the Chancellor of the Exchequer

28 January 1983

I have told them
*
to stop this. You
have a minute

*
This is, I think,

from the Chancellor.

anyway an announcement

May I know your

for you not Mr Fowler.

decision please?

Agree?

Dear John

Yes

MCS 1/2

MCS 1/2

NURSES' REVIEW BODY

As agreed by E(PSP) on 25 January, my Secretary of State has asked me to circulate the enclosed drafts of the proposed consultation document on the nurses' review body and of the associated announcement. As you will see, the Secretary of State envisages that the Prime Minister may wish to make the announcement herself.

If we have received no comments on the drafts by close of business on Wednesday 2 February we shall assume that there are none.

Copies go to Michael Scholar (No 10), the private secretaries to other members of E(PSP), and to Richard Hatfield (Cabinet Office).

Yours ever,

D J Clark

D J CLARK
Private Secretary

I am still unhappy about
the terms of reference.

ms.

Q To ask the Prime Minister, what progress is being made with the establishment of a review body for nurses and midwives and health visitors and for the professions allied to medicine.

A The government announced on 9 November 1982 that, provided that pay settlements for 1982-83 and 1983-84 were concluded, they proposed to establish a review body for nurses, midwives and health visitors and the professions allied to medicine. Pay agreements have now been reached and my rt hon Friend the Secretary of State for Social Services has today sent to interested organisations a consultative document about the detailed arrangements proposed for the new review body. Copies have been placed in the library. Comments are sought by [] and the review body will be set up and start work as soon as possible thereafter.

DRAFT

REVIEW BODY FOR NURSING AND MIDWIFERY STAFF AND PROFESSIONS ALLIED TO MEDICINE

1. In a statement in the House of Commons on 9 November 1982, the Secretary of State for Social Services announced that the government proposed the establishment of a review body which would have the task of making recommendations about the pay of nurses, midwives and health visitors and the professions allied to medicine, and that consultations with interested bodies would shortly be undertaken on the detailed arrangements.
2. The government proposes that the new review body should follow the same general pattern as the Doctors' and Dentists' Review Body. It may therefore be helpful to recall that the Royal Commission on Doctors' and Dentists' Remuneration which reported in 1960 identified three broad objectives: to avoid disputes over the remuneration of doctors and dentists; to provide an assurance to the staff concerned that their pay would be determined on a fair basis; and to provide fair treatment for the taxpayer. In order to achieve them, it recommended the establishment of a Doctors' and Dentists' Review Body. This is an independent body, with a secretariat provided by the Office of Manpower Economics, which reports to the Prime Minister. It is free to determine its own method of working, obtain any information it requires and take evidence from interested parties. The government has given an assurance that its recommendations will be accepted unless there are clear and compelling reasons for not doing so.
3. There are three important aspects of the government's proposals relating to the establishment of the new review body on which interested organisations may wish to express views. These are: its composition and membership; the staff to be covered by its remit; and the terms of reference. Further details are given below. The government is anxious that the review body should be established as quickly as possible so that it may have sufficient time to carry out the necessary groundwork prior to the submission of its first

report in April 1984. Comments are therefore requested by
[] (DN we propose to allow six weeks from date
of issue), and should be sent to []
A list of the bodies to whom the consultative document has been sent
is in the appendix to this paper.

Composition and Membership

4. It is proposed that the review body should have a chairman and a maximum of seven other members, who would be appointed by the Prime Minister. The intention is that the review body should have some common membership with the Doctors' and Dentists' Review Body and the Armed Forces Pay Review Body.

5. Members of the review body would be appointed for their individual qualities. They should be completely independent, and none should be members of, or closely connected with, the professions whose pay is being reviewed. It is proposed that members should generally serve for a period of four years but may be reappointed for further terms.

Coverage

6. It is proposed that the review body should make recommendations about the pay of all qualified and unqualified staff whose pay and conditions of service are currently negotiated by the Nurses and Midwives Whitley Council and the full Professional and Technical 'A' Council. This approach would maintain the long-standing association between these groups in respect of their pay determination arrangements ~~(which was reflected in the Halsbury and Clegg Reports.)~~
The pay of groups currently negotiated in the wholly autonomous Sub-Committees 'A' and 'E' of the PTA Council would continue to be negotiated in the existing or an amended Whitley framework.

7. The review body would deal with the remuneration of the groups concerned. Their terms and conditions of service would be negotiated elsewhere. The Nurses and Midwives and the PTA Whitley Councils could retain this function, with or without amendments to their present composition; or alternative arrangements might be made. If the latter course were adopted there could be direct negotiations between the Department and the staff interests. Views will be welcome on the nature of the arrangements which should be made in both the long and the short term for the negotiation of terms and conditions of service.

Terms of Reference

8. The following terms of reference are proposed:-

"To advise the Prime Minister on the remuneration, with effect from 1 April 1984, and subsequently, of:

- i. Nursing Staff, Midwives and Health Visitors employed in the National Health Service;
- ii. Physiotherapists, Radiographers, Remedial Gymnasts, Occupational Therapists, Orthoptists, Chiropodists, Dietitians, Speech Therapists, and related grades employed in the National Health Service."

9. The government will look to the review body to give due weight to economic and financial considerations, as well as to the recruitment, retention and motivation of the staff concerned, and will submit evidence to them on these matters.

28 JAN 1963

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