



cc Willie Rickett (No 10)

BF 22/8

DEPARTMENT OF HEALTH & SOCIAL SECURITY

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From the Permanent Secretary

Sir Kenneth Stowe KCB CVO

Sir John Hedley Greenborough,
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5 August, 1983

My dear John.

As promised, I am enclosing some papers which fill in the background to the establishment of the new Review Body for nurses and the professions ancillary to medicine.

We have for many years had problems over handling the pay of these staff groups, mainly because the NHS is a monopoly employer and there has been no reliable basis for pay determination (for example, market rates for similar staff outside the NHS). This Government came to office in 1979 with a commitment to try to find a satisfactory system; but not much progress had been made by the time of the prolonged industrial trouble which affected the NHS last year. As the first of the enclosures (item 1) shows, the dispute was ended by an agreement which dealt with pay levels in the short term and improved pay determination arrangements in the longer run; and one element in the agreement was a decision in principle to establish a new Review Body for nurses and the professions ancillary to medicine.

At that stage, we did not attempt to produce the small print showing exactly how it would work. Proposals about this were developed and embodied in the consultative document - copy enclosed (item 2) - which was sent to interested parties earlier this year. A good many comments were received, and the Government's decisions were announced by the Prime Minister at the end of July in a written Parliamentary reply, copy enclosed (item 3).

The Review Body will be a very important piece of machinery, partly because of the nature and size of the professions with which it will be concerned (more than 40% of all NHS staff are nurses) and partly because the Government see as a very significant policy development the establishment of this type of special arrangement for

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handling the pay of a group of staff most of whose members (i.e those who belong to the Royal College of Nursing and one or two other professional organisations) have as a matter of principle renounced the use of industrial action. I say this in order to underline that the time the Chairmen devotes to this work will, from the point of view of public service, be time very well spent. The demands on time will not I hope be excessive - perhaps 1 or 2 days a week on average during the 3 or 4 months preceding completion of the Review Body's report (which is due at the beginning of April.)

I have reported to No. 10 how we have left matters and the Prime Minister will, of course, be told. I have said that you will ring in there when you are back from holiday on Tuesday 23 August (and when I and Robert Armstrong will each be away). Would you be so good as to ring 01 930-4433 and ask for Willie Rickett or Tim Flesher who will be the Private Secretary on duty then?

I am grateful - and I know Norman Fowler and the Prime Minister will be too - that you have agreed to consider taking on this task. It really is important and, with the principle established that the Review Body is linked with the renunciation of industrial action, it could I believe serve the whole community well.

Love kind regards

Yours sincerely,

Ken.

P.S. And I hope you will have a good holiday!

Susan

Willie, He has, and I have
written to Colin Phillips

The papers are with
Appts. You had better
REVIEW BODY NURSES' PAY

obtain a copy.
requested in June WM 24/8

Am I right in thinking

that Sir John Hedley

Greenborough is going to
contact you with his

decision re Chairmanship?

If so, has he done so?

Susan

24.8.

CONSULTATION DOCUMENT: 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, which reports to the Prime Minister. Its secretariat is provided by the Office of Manpower Economics. The Review Body 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 within 6 weeks of the date of the covering letter and should be sent to John H James, Room 77 Hannibal House, Elephant and Castle, London SE1 6TE. 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. 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 only with the remuneration of the groups concerned, leaving their terms and conditions of service to be negotiated elsewhere. Because of the important links between pay and terms of service, however, it would be necessary to make arrangements, similar to those which apply in relation to the Doctors and Dentists Review Body, for the review body to be kept fully informed of agreed or prospective changes in the terms of service, so that it could have an opportunity, if appropriate, to express a view to the negotiators about the changes proposed in respect of their implications for pay. The Government proposes that the Department should be responsible for negotiating changes in the terms of service with staff interests and jointly with those interests, for keeping the review body informed. In exercising these functions the Department would look for advice to NHS management.

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.

APPENDIX

LIST OF BODIES TO WHOM THE CONSULTATION DOCUMENT HAS BEEN SENT

Association of Hospital and Residential Care Officers
Association of Nurse Administrators
Association of Supervisory Midwives
Confederation of Health and Service Employees
General and Municipal Workers Union (MATSA)
Health Visitors Association
National and Local Government Officers Association
National Union of Public Employees
Royal College of Midwives
Royal College of Nursing
Scottish Association of Nurse Administrators
Scottish Health Visitors Association

Association of Clinical Biochemists
Association of Scientific, Technical and Managerial Staff
British Association of Occupational Therapists
British Dietetic Association
British Orthoptic Society
Chartered Society of Physiotherapy
College of Speech Therapists
Federation of Professional Organisations
Hospital Physicists' Association
Society of Chiropodists
Society of Radiographers
Society of Remedial Gymnasts

Regional Health Authority Chairmen and Regional Administrators, Medical Officers,
Nursing Officers and Treasurers,
Chairmen of Boards and Authorities in Scotland and Wales
Nurses and Midwives Whitley Council Management and Staff Side Chairmen & Secretary
Professional and Technical (A) Council Management and Staff Side Chairman &
Secretary
National Association of Health Authorities in England and Wales
Confederation of British Industry
TUC Health Services Committee
Scottish TUC

For Information

Association of County Councils
Association of Municipal Authorities
British Dental Association
British Medical Association
General Whitley Council
Convention of Scottish Local Authorities