



(Handwritten red mark)

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

21 December 1983

S Godber Esq
Private Secretary to the Secretary of State
for Social Services
Department of Health and Social Security
Alexander Fleming House
Elephant and Castle
LONDON SE1 6BY

Dear Steve,

PRIME MINISTER'S MEETING WITH SIR JOHN GREENBOROUGH

We were surprised to see that the final version of the brief for the Prime Minister's meeting with Sir John Greenborough yesterday took no account of the most important of the suggestions we made on the earlier draft (my letter of 15 December).

As you will recall, we proposed a significant change in the way in which the Government's policy on the 3 per cent public sector pay assumption should be described. That is, of course, essentially Treasury business and if our amendment caused you difficulty, we should naturally have expected you to contact us. However, it was only when we saw the final version of the brief that we discovered the text had not been altered. Unfortunately, our copy did not reach the Treasury until after the meeting had taken place, so that we were not in a position to alert No 10 to the difference of view.

I am sending a copy of this letter to Andrew Turnbull together with a copy of my original letter.

Yours sincerely,

Margaret O'Mara

MISS M O'MARA



cc

CST
FST
MST
EST
Mr Middleton
Mr Bailey
Mr Anson
Mr Kemp
Mr Burgner
Miss Sinclair
Mr Watson
Mr Colman

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

15 December 1983

S Godber Esq
Private Secretary to the
Secretary of State for Social Services

Dear Sir

PRIME MINISTER'S MEETING WITH SIR JOHN GREENBOROUGH

As requested in Mr Benner's minute of 13 December to you, I am writing with our comments on the draft brief for the Prime Minister's meeting with Sir John Greenborough.

Handling brief

Paragraph 4.1

We suggest you reword the final two sentences as follows:

"The Review Body's function is to exercise independent judgement, but the Government hopes that the Review Body will take the 3 per cent assumption used for public expenditure plans as a firm indicator of what can be afforded."

Paragraph 4.2

We suggest you delete the words "but the Government ... the level of remuneration" from the last sentence.

Background note

Paragraph 5

We suggest that the final sentence should either be deleted or that the accusation should be answered.

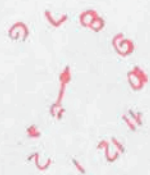
Yours sincerely,

Margaret O'Mara

MISS M O'MARA
Private Secretary

Nat. Health:

nurses pay
Pt 2



22 DEC 1985



10 DOWNING STREET

Prime Minister ^①

Attached is a brief, devised
with Cabinet Office and
Treasury.

Also attached is the
Chancellor's minute (as
Chairman of E(PSP) which
suggested you see Sir John.

AT

19/12

on TSRB
file



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

David Barclay Esq
Private Secretary
10 Downing Street
LONDON
SW1

16 December 1983

Dear David

PRIME MINISTER'S MEETING WITH SIR JOHN GREENBOROUGH -
20 DECEMBER

I attach a handling brief and background note which the
Prime Minister will wish to see before her meeting
with Sir John.

—
Yours sincerely

Mark Dexter

MARK DEXTER
Private Secretary

CONFIDENTIAL

PRIME MINISTER'S MEETING WITH SIR JOHN GREENBOROUGH ON 20 DECEMBER 1983

HANDLING BRIEF

1. A background note is attached.
2. At the outset the Prime Minister might like to make the following points:-
 1. Appreciation of Sir John's decision to take on this important and demanding role (he thought long and hard before accepting), and of the way in which he got things under way while waiting for remaining membership.
 2. Recognition of his public statements as to what could realistically be achieved by April 1984 (paragraph 4 of background note).
 3. Review Body is of course independent and joining a select panel of existing Bodies. It will, however, need to reach judgements between the natural aspirations of staff and the wider interests of the NHS and the economy generally. Its recommendations will inevitably excite considerable interest well beyond those directly concerned.
3. Sir John will no doubt wish to say how the Review Body has settled down and how he sees them going about their work both as to the April 1984 report and beyond.
4. During the course of the discussion the following additional points might be stressed:-
 1. The Government will of course submit evidence through the Health Departments. This will certainly cover the question of affordability, and evidence on this is likely to be similar to that given to other Review Bodies. The Review Body's function is to exercise independent judgement, and the Government naturally does not expect it simply to use the 3 per cent guideline for the public sector as an automatic norm. It does however rely on the Review Body to take the guideline as a firm, though broad, indicator of what is desirable on national economic grounds, and to depart from it only if fully convinced of the validity of the grounds for doing so.
 2. Evidence will certainly be submitted also on recruitment and retention of these staff groups. The numbers employed in nursing in the NHS have risen substantially in recent years, as have the numbers overall in the allied professions. Applicants for training places far exceed numbers available. Wastage during training has fallen. These are important market

considerations which the Review Body will wish to take into account; but the Government of course recognises that the continuance of these trends will be influenced by, amongst other things, the level of remuneration.

3. It goes without saying that the Government would expect the Review Body not simply to seek to reinstate the professions at the most favourable historical wage levels, but to look afresh at the question of acceptable pay levels, in the light of the training, qualifications, working conditions and advantages, such as job security, enjoyed by these groups, and against the overall background of present day policies and economic realities. The professions are likely to press for the restoration of the very favourable relative levels of pay which they enjoyed after the Halsbury review in 1974. The Government does not accept the validity of an approach to pay determination which is based solely or mainly on comparability - still less one based on historical comparisons which may well now be out-dated and which might lead to a completely unjustified "catching up" increase.

4. The Government's commitment on implementation of recommendations is the same as for other Review Bodies: they will be implemented unless there are clear and compelling reasons not to do so. This makes it all the more important that the Review Body should give full weight to national economic and financial considerations.

5. The outcome of the Prime Minister's meeting with Sir Robert Clark earlier this year was an exchange of correspondence; that however arose specifically from the discussion, and in the different circumstances the Prime Minister may judge it sufficient to rest solely on the conversation with Sir John Greenborough.

CONFIDENTIAL

DRAFT BRIEF FOR PRIME MINISTER'S MEETING WITH SIR JOHN GREENBOROUGH ON 20 DECEMBER 1983

BACKGROUND NOTE

The meeting with Sir John Greenborough can, and should, be represented as a natural occasion for meeting informally the chairman of a new body which reports direct to the Prime Minister. It should also be seen, in the light of the meeting with Sir Robert Clark, Chairman of the DDRB and E(PSP)'s recent consideration (E(PSP)(83) 5th minutes) of Review Body recommendations generally, as an occasion to get over in an acceptable way the importance the Government attaches to realistic recommendations.

APPOINTMENTS AND MEMBERSHIP

2. Sir John was appointed in September and 6 further members were appointed in November. Their names and brief curriculum vitae are at Annex A. One member remains to be appointed. A submission with a number of names from an industrialist background is in preparation. The Terms of Reference are contained in the Press Notice at Annex B.

PROGRESS TO DATE

3. Indications to date are that the Review Body, and Sir John, have started well. The Review Body was scheduled to hold its second meeting on 19 December, when it will meet in turn representatives of the Professions Allied to Medicine and the DHSS to discuss the ground to be covered in the April 1984 review. The Nurses' representatives were not free to be seen that day but will be seen early in the New Year.

4. Sir John Greenborough has said publicly that the Review Body cannot be expected to complete a full review of all the issues by April 1984, and he is expected to take the view that the first review should do no more than mark time on basic pay levels, while offering some pointers to the ground to be covered in the next report. The Review Body's terms of reference do not preclude a report in the middle of 1984-85, but the signs are that they accept that their next Report will not be until April 1985, and that they will be planning a programme of more detailed work accordingly.

CONFIDENTIAL

5. Staff representatives have made some predictable complaints about Sir John's remarks, although privately they recognise that, even had the Review Body been in existence much earlier, it could not have conducted a thorough review by April 1984. Staff Sides have also suggested that the appointments were deliberately delayed to ensure that the Review Body could not report definitively by April 1984. This of course is not the case. The Government has always been anxious that there should be a report in April 1984.

EVIDENCE TO DATE

6. The Health Departments have already put in detailed background evidence on the structure, organisation and numbers in the professions. No doubt in the light of the expected attitude of the professions, the Review Body Secretariat have from an early stage shown an interest in historical pay comparisons. In response a note has been put in stressing the limitations of this kind of analysis. Both Staff Sides will probably attempt to steer the Review Body in favour of reinstalling equivalent pay levels to those following the 1974 Halsbury Report (the highwater mark for both sets of professions), and the Departments will need to counteract this pressure. A note had been prepared and will be submitted in due course. Neither Staff Side [has yet] submitted any written evidence.

7. The Review Body has given notice that, at the meeting on 19 December, they intend to identify the areas which they wish to see covered in written and oral evidence this year.

Miss Beryl Cooper QC is 56 and has been a Recorder since 1977. She was an administrator at the Royal Free Hospital from 1951-57 and served on the Lambeth, Southwark and Lewisham Area Health Authority from 1980-82. She was a founder member of the Bow Group and is a member of the Executive Committee of the Society of Conservative Lawyers. She has served as a member of the Committee on Criminal Statistics and of the Housing Corporation and is currently a member of the Criminal Injuries Compensation Board.

Mrs Suzett Harold is 43, and is non-executive chairman of MCC Mackenzie Computer Co and a director of Davy Computing Ltd. She was an Oxford City Councillor from 1965-71 and Conservative Candidate for Greenwich in 1974.

Sir John Herbecq, KCB, is 61 and retired from his post as Second Permanent Secretary at the Civil Service Department in 1981. He is a Church Commissioner.

Principal Graham Hills is 56, and has been Principal of Strathclyde University since 1980. A graduate of London University (Birkbeck College) his background is in physical chemistry. He is a Director of Glasgow Chamber of Commerce and he recently was a member of a trade mission to the USA.

Mrs Jennifer Hughes is 56 and is Group Industrial Relations Director, MacMillan Publications. She has been a member of the Armed Forces Review Body since July 1982 and a non-executive director of the Prison Board since 1980.

Professor George Thomason is 56, and has been Professor of Industrial Relations at Cardiff University since 1969, and a member of the Review Body on Doctors' and Dentists' Remuneration since 1979. He is an academic with wide experience in various fields of education.

PRESS
RELEASE

Telephone 01-407 5522

83/146

27 July 1983

NEW PAY REVIEW BODY ESTABLISHED FOR NURSES AND OTHER NHS PROFESSIONS

The Government today announced the establishment of a new independent Review Body to advise on the pay of nursing and midwifery staff, and the professions allied to medicine such as physiotherapists and radiographers. The Prime Minister set out the terms of reference in a reply (attached) to a written Parliamentary Question from Sir Hugh Rossi, MP for Hornsey and Wood Green.

Norman Fowler, Secretary of State for Social Services, said "This marks a major step forward for industrial relations in the National Health Service. The new Review Body offers for the first time a stable system of pay determination for these major groups of health service staff. Under the new arrangements nurses, midwives, health visitors and the professions allied to medicine will, like the doctors and dentists, have their own independent Body to advise the Prime Minister on pay levels. This should avoid past difficulties which were resolved at intervals of four or five years only by setting up special ad hoc inquiries into their pay. I am sure that the staff will welcome this new system and will cooperate fully with it".

Sir Hugh Rossi (Hornsey and Wood Green)

To ask the Prime Minister what progress is being made with the establishment of a Review Body for Nurses, Midwives, Health Visitors and the Professions Allied to Medicine.

Prime Minister

The Government have completed consideration of the response to the consultative document issued by my Rt Hon Friend the Secretary of State for Social Services on 22 February and will be establishing the Review Body without delay. Its terms of reference will be:-

"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, and related grades employed in the National Health Service".

The names of the Chairman and members will be announced as soon as possible.

The Review Body will be independent and free to determine its own method of working and to take evidence from interested parties. The secretariat will be provided by the Office of Manpower Economics.

The Government will, as proposed in the consultative document, submit evidence on economic and financial considerations, and on such factors as recruitment, retention and motivation of the staff concerned.

The establishment of a Review Body for these groups recognises their special position within the National Health Service and in particular

the fact that the great majority of staff in these groups have not engaged in industrial action. Accordingly the Government must reserve the right to exclude from the scope of the Review Body recommendations any groups that do resort to industrial action.

In fulfilment of our commitment to provide new pay arrangements for all nursing staff, the Review Body will deal with the remuneration of both qualified and unqualified nursing staff, but it will be asked to deal separately with these groups. The nursing and allied professions expressed concern about being combined in a single Review Body. The Government is satisfied that a single Review Body is appropriate but it will be asked to provide separate reports on the nursing staff and on the allied professions. Some other groups of professions sought inclusion in the Review Body arrangements but we have not thought it right to go beyond the groups outlined. The speech therapy profession, at its own request, will not be included.

The Government have decided that the Health Departments should assume responsibility for negotiating changes in terms and conditions of service with the Staff Sides of the groups covered by the Review Body and for keeping it fully informed of any agreed or proposed changes in terms and conditions of service. The Department will look to NHS management for advice and assistance on such negotiations. No change is envisaged in the composition of the Staff Sides. There will no longer be any need for the Nurses and Midwives or the Professional and Technical 'A' Whitley Councils. The Health Departments in consultation with NHS management and staff interests will take the lead in devising new negotiating arrangements for speech therapists and other staff groups on the PT'A' Council who are not included in the Review Body arrangements.

Nurses Pay

CONFIDENTIAL

RW7



FILE

10 DOWNING STREET

From the Private Secretary

24 November, 1983

NURSES' REVIEW BODY

As you will know from Andrew Turnbull's letter of 31 October to John Kerr, the Prime Minister has agreed to see the Chairman of the Nurses' Review Body. We have now arranged a meeting with Sir John Greenborough for 1000 hrs on Tuesday, 20 December.

I should be grateful if you could provide a brief for the Prime Minister, in consultation with the Treasury and the Cabinet Office. Could this please reach us by Friday, 16 December.

I am sending a copy of this letter to John Kerr (HM Treasury) and Richard Hatfield (Cabinet Office).

(David Barclay)

S. Godber, Esq.,
Department of Health and Social Security