

NBPM AT 9/4

CC NO



DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Minister for Health

Barney Hayhoe Esq MP
Minister of State
Treasury Chambers
Parliament Street
London
SW1P 3AG

10.4.84

Dear Barney,

PAY OF HEALTH AUTHORITY CHAIRMEN

Thank you for your letter of 13 February to Norman Fowler.

We appreciate your concern that negotiations on this year's NHS pay round should not be prejudiced. We are not, of course, unmindful of that aspect ourselves and had already considered it before making our proposals. Nothing you have said causes us to alter our view that Chairmen should receive the full award due to them.

There can surely be no dispute about the fact that Chairmen are underpaid. It has, for example, been commented on adversely in private by the Griffiths team and by Lord Rayner. In these circumstances, we think that it would be completely unfair to those presently carrying out these onerous responsibilities, often in the full public glare, to holdback further their pay levels. It would also make our task even harder in attracting people of the right calibre in future.

The cost of implementing the award is insignificant - some £50,000 in England. But for Chairmen individually it will make a considerable difference. Your proposal would rob them of some £400 a year from 1 April. As to the possible effect on negotiations, the increases are in line with those payable to people in similar offices across the public sector. Moreover, the increases can be clearly related to the 1983 round and not to the forthcoming 1984 round.

Having weighed all the factors therefore and as George Younger, Nicholas Edwards and Jim Prior (to whom I am copying this) also support the increase, we propose to implement it as soon as possible but without making any announcement.

A copy of this letter also goes to the Prime Minister.

KENNETH CLARKE

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Nat Health May 87
area health authority
chairmen.

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AT 17/5

Treasury Chambers, Parliament Street, SW1P 3AG

Private Secretary to
The Rt Hon Kenneth Clarke QC MP
Minister for Health
Department of Health & Social Security
Alexander Fleming House
Elephant and Castle
LONDON SE1 6BY

16 May 1984

Dear Private Secretary

PAY OF NATIONAL HEALTH AUTHORITY CHAIRMEN

The Minister of State has asked me to thank you for your Minister's letter of 10 April.

He notes that it is intended to apply the increase derived from TSRB Report No 19 as soon as possible and that there will not be an announcement of the increase.

I am copying this to the Private Secretaries to the Prime Minister, George Younger, Nicholas Edwards and Jim Prior.

Yours

M E Corcoran

M E CORCORAN
Private Secretary

Nat Health: Local Authority Chairman May 81.



17 MAY 1984

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AT
14/2

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Norman Fowler MP
Secretary of State
Department of Health & Social Security
Alexander Fleming House
Elephant and Castle
LONDON SE1 6BY

13 February 1984

Dear Secretary of State

PAY OF HEALTH AUTHORITY CHAIRMEN

Your letter of 4 January to George Younger was copied to Peter Rees, as was George Younger's reply.

What you propose is wholly consistent with the general Treasury agreement that the awards made to senior civil servants after TSRB Report 19 should be carried over to the various groups of TSRB followers, and it would be unreasonable for me to say now that our agreement should not apply to health authority chairmen. But I am a little concerned about the possible effects on NHS non-medical pay negotiations this year of increasing chairmen's pay by 17 per cent over the two years from 1 April 1982. Although you plan to make no announcement, these increases are bound to become known, and be contrasted with the lower increases received by other NHS groups over the same period, especially the ancillaries' 10.8 per cent and the nurses' 12.3 per cent. We cannot know what recommendations the new Review Body may make for nurses' pay this year, but it will clearly have repercussions on the negotiations with NHS non-medical groups. Awarding the health authority chairmen nearly 11 per cent over a period of 5 months risks creating a further complication.

In these circumstances I wonder whether a lower percentage increase backdated to 1 April 1983 would be appropriate. This would be out of step with senior civil servants, but this link was broken in 1982. An increase of 5.6 per cent from 1 April 1983, for example, would leave the chairmen no worse off during 1983-84 than your proposal, but reduce the two year increase from 17 per cent to just under 12 per cent. That would be below the increase for NHS medical groups, but 1 per cent above the ancillaries.

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This approach would, of course, result in a lower rate of pay for the chairmen at 31 March this year than you suggest. But you plan in any case to review their pay once consideration of the report of the management inquiry is complete, and any necessary adjustments could be made at that stage.

I have copied this letter to the Prime Minister, and to the Secretaries of State for Scotland, Wales and Northern Ireland.

Yours sincerely

Michael Brown

for

BARNEY HAYHOE

(Approved by the Minister of State
and signed in his absence)

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NAT. HEALTH
Area Health Authority
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