

**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*Clive Whitmore Esq
Principal Private Secretary
10 Downing Street

28 May 1980

*Dear Clive,***NURSES' PAY NEGOTIATIONS**

I attach a brief for the Prime Minister's meeting with the Staff Side of the Nurses and Midwives Whitley Council tomorrow morning. Appendix 3 to the brief is a copy of the speaking note for Conservative Members of Parliament which was provided to the Government Whips at the end of last week. The Secretary of State and the Minister for Health together with two officials, Mr B A Harrison (Assistant Secretary) and Miss J G Whitehead OBE (Deputy Chief Nursing Officer) will attend for the briefing meeting arranged for 9.00 am. Copies of the briefing have been sent to Treasury and the Department of Employment.

Yours ever

D BRERETON

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NURSES' PAY: DEPUTATION TO PRIME MINISTER, 29 MAY 1980

1. The deputation will be led by Mr D O Williams, Assistant General Secretary of the Confederation of Health Service Employees (COHSE), who is the Chairman of the Staff Side of the Nurses and Midwives Whitley Council. He will be accompanied by the Vice-Chairman of the Staff Side, Miss C M Hall, General Secretary of the Royal College of Nursing (RCN) and other members of the Staff Side Negotiating Committee. Fuller details of the Staff Side representation are in the Background Note at Appendix 1.
2. Following implementation of the Clegg award and agreement to reduce the working week (see Background Note), negotiations for the 1980 pay settlement opened on 25 March. The Management Side offered a general increase of 13% on all salaries, plus various minor improvements. They said the cost of the offer had to be contained within the 14 per cent limit set out in the Chief Secretary's announcement of 14 March (Hansard, Col 760). The Staff Side objected to this limit and asked for a meeting with Ministers. Dr Vaughan saw them on 3 April and wrote to Mr Williams later that day (copy at Appendix 2), confirming that the settlement must be within 14 per cent.
3. At three subsequent Council meetings, progress was made towards a package settlement which might prove acceptable both to NHS management and to the various interests represented on the Staff Side. The announcement of the Government's decision on the Review Body (DDRB) report for doctors and dentists was, however, criticised by various nursing organisations and, when the Whitley Council met to resume negotiations on 27 May, the Staff Side said they were not prepared to continue discussion of a settlement within 14 per cent, but intended to seek a meeting with the Prime Minister. Although much of their public comment has compared figures of 14 per cent for nurses and 30 per cent for doctors, the Staff Side made it clear at the 27 May meeting that their concern was with the disparity between their 14 per cent and the 18.7 per cent component in the doctors' award for the period April 1979 to April 1980.
4. The doctors' and nurses' pay situations are not analogous. In both cases, the Government undertook to give effect to catching up exercises which were set in hand subsequent to 1978, following a period of incomes policy. The undertaking for nurses was to implement the Clegg Commission award in two equal stages. For doctors, catching up was to be spread over a longer period, to bring their pay fully up to date by 1 April 1980. What the Government has done has been to discharge these two separate undertakings, both of which had been inherited from their predecessors.
5. There have been other favourable decisions by the present Government on nurses' pay, besides the implementation of the Clegg award:-
 - a. An award late in 1979 to the top nursing postholders at each level of NHS management, following the Speakman Report on comparative responsibilities of

top postholders in different disciplines. This award was accepted by the Clegg Commission as the appropriate pay rates for these grades.

b. An addition of £2m to the Clegg award to protect some nursing staff from suffering short-term pay cuts, which would have resulted from a strict application of the Whitley Council agreement to the Clegg award.

c. An agreement to reduce the working week for all nurses from 40 to 37½ hours from April 1981, and to make additional payments from April 1980 for any hours over 37½ (GB cost £116m, which was a 6.7% addition to the total paybill).

6. If a settlement for 1980 is reached within the 14 per cent limit, the total nursing paybill (Great Britain) will have increased since April 1978 by 65.5 per cent (from £1,450m to £2,400m). There is a slight element in this reflecting some modest increase in staff numbers, but most of the increase represents improvements in pay, allowances and working conditions. The effect for particular grades or individuals will vary with circumstances. In the same period, the total earnings of doctors have increased by some 66 per cent.

Summary

7. Points which might be made in discussion are:-

a. The general 14% pay element in cash limit increases is a key feature in the Government's economic strategy. Nurses are precisely the sort of group who will stand to benefit in the long term from the success of the strategy. The essential need is to bring down the rate of inflation, which is what causes pay erosion.

b. At a time of necessary restraint on public spending, the National Health Service has generally been treated favourably by the Government.

c. The Government has fairly discharged its undertakings to both doctors and nurses. Taken overall, there has not been disparity of treatment. It is not helpful to isolate a particular feature for comparison, ignoring the overall picture or other particular features which might point to different conclusions if taken in isolation.

d. The Government has particularly shown its goodwill to nurses by agreeing to fund fully a reduction in the working week from April 1980 in addition to the general pay settlement for this year.

e. The Government recognises that there are problems regarding protection of nursing pay levels in the longer term. Departmental Ministers have made clear their willingness to enter into discussions with the profession to try to find solutions to these and other problems which may be troubling nurses and midwives (Dr Vaughan's letter of 3 April - Appendix 2 - and his speech on 19 May to the RCN conference).

BACKGROUND NOTE

Nursing Workforce

1. The total size of the nursing and midwifery workforce in Great Britain is a little over 490,000. About 180,000 of these are part-timers. The workforce in whole-time equivalent terms is about 420,000 and consists broadly of 55% qualified staff, 20% learners in training and 25% unqualified staff. The numbers are large because it is essentially the nursing staff who provide the 24-hour, 7 days-a-week cover in the NHS. A consequence of this, however, is that improvements in their pay or conditions of service are very expensive.

Whitley Council

2. The Nurses and Midwives Whitley Council is a Great Britain body. The Management Side consists mainly of representatives of NHS authorities, plus 5 Departmental representatives. Twelve different organisations have seats on the Staff Side, which is represented in negotiations by a smaller group of 12 people, drawn from 8 organisations. This negotiating group forms the deputation to the Prime Minister. In addition to COHSE and the RCN, the organisations represented are NUPE, NALGO, GMWU (Managerial and Technical sub-group), Royal College of Midwives, Association of Nurse Administrators and Health Visitors' Association.

3. While the Staff Side maintain a high degree of unity on general issues, there is keen competition between the various organisations for membership recruitment (with some dual membership of professional and trade union organisations). Conflicts of interest between members of different organisations are reflected from time to time in Whitley Council negotiations, when the main problem is sometimes to find a consensus position, or a clear majority, on the Staff Side.

4. Different Staff Side organisations have different attitudes to industrial action. Traditionally, this has been eschewed by the Royal Colleges. The RCN conference decided recently to ballot members about a rule change to provide for industrial action, but a similar proposal was heavily defeated in a membership ballot last year. Trade union members - particularly in long-stay psychiatric hospitals - have taken industrial action in the past, usually on the basis that "emergency cover" was provided. In the 1978/79 winter, however, many nurse members of trade unions declined to take industrial action.

Pay

5. There has been a long history of dissatisfaction among nurses about pay. Over the years, there have been a number of catching-up exercises, usually followed by a period of erosion of their relative pay position. The exercise which met with the most widespread approval was the award by the Committee chaired by Lord Halsbury, which reported in 1974.

6. In 1978, the Nurses' Staff Side submitted a claim for "special case" treatment. This was not accepted, but in 1979, they were awarded a 9% increase from 1 April, with a reference to the Standing Commission, which produced an overall additional increase of some 20%, paid in two equal stages, from 1 August 1979 and 1 April 1980. This award, which provided the best increases for qualified staff involved in direct patient care, met with considerable criticism, mainly on the following grounds:-

- a. The award was appropriate to a general 37½ hour week worked by comparators, although nurses were still working a 40-hour week and were expected to do so until April, 1981.
- b. Nursing staff at the top and bottom ends of the pay range received little or nothing from the award.
- c. Some middle and senior management grades had relativities disturbed in a way that displeased them.
- d. Several less substantial issues - some of long standing - were simply referred back to the Whitley Council by the Commission.

7. The Government responded to the profession's complaints about hours by authorising negotiations which resulted in an agreement to reduce hours generally to $37\frac{1}{2}$ from 1 April 1981, while allowing the reduction to be introduced earlier, where local circumstances permitted. Nurses whose hours are reduced to $37\frac{1}{2}$ during 1980/81 will receive their full basic salary. Those who continue to work 40 hours are receiving additional payment (at plain-time rates) for hours in excess of $37\frac{1}{2}$.

8. The extent to which the pay of particular grades has improved recently is mainly a reflection of the relative priorities in the Standing Commission award. The earnings of individual nurses are also affected by the extent to which they qualify for various allowances, particularly "special duty" premium payments (for working unsocial hours) which were also increased by the Standing Commission award. No reliable (post-Clegg) figures are available on earnings, but the basic pay of some specimen grades, following the Clegg award but before the 1980 settlement are as follows:-

Current Specimen Basic Salary Levels (ie before 1980 settlement)

	£.		
	<u>MINIMUM</u>		<u>MAXIMUM</u>
Student Nurse	2747 (1st Year)	2862 (2nd Year)	3,000 (3rd year)
Unqualified Nursing Auxiliary	2507	--	3209
Staff Nurse	3715	--	4530
Ward Sister	4698	--	6024
Senior Nursing Officer I (equivalent to Matron of large hospital)	5972	--	6942
Regional Nursing Officer (maximum population)	13133	--	16815

9. As indicated in the briefing notes, the Great Britain paybill at the end of March 1979 was £1,450m. The 9% increase from 1 April 1979 lifted this to £1,580m, rounded to £1,600m for the purposes of the speaking note for Government supporters issued on 22 May (Appendix 3), to show that the total paybill will - after the 1980 settlement - have increased by 50% since the Government arrived in office. The overall increase of 65.5% in the paybill since April 1978 is, in part, due to the effect of compounding of various individual improvements. A paybill on this scale consists of many individual components (including, as indicated in the briefing notes, some slight increase in staff). For simplicity in briefing, round numbers have been used. There is no argument about the start and finish figures of £1,450m and £2,400m, which produce the overall movement of 65.5% and which are known to the Staff Side.

Significance of Pay for NHS Spending

10. Staff costs account for some 75% of all NHS current spending. Nurses account for 38% of all staff costs and 28.5% of all NHS current expenditure.

£ 1,450m £ 2,400 65.5%



DEPARTMENT OF HEALTH & SOCIAL SECURITY

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

Telephone 01-407 5522

From the Minister for Health

D O Williams Esq
Staff Side Chairman
Nurses and Midwives Whitley Council
Glen House
Hight Street
Banstead
Surrey

3rd April 1980

D O Williams

I thought I should write to you following my meeting with you and your Staff Side colleagues on 3 April.

As I told you at the meeting, I am not in a position to offer any higher basis than the 14 per cent cash limit increase for the 1980 pay negotiations. This cash limit is an important element in the Government's economic strategy, which is aimed at reducing inflation, the essential cause of pay erosion problems.

While I had to tell you that I was not in a position to offer any increase in the amount available for the 1980 settlement, I hope I did not leave you in any doubt as to my view that we must, for the longer term, find a suitable means of ensuring that nurses pay is set at a satisfactory level and keeps pace with remuneration levels generally. As I am sure you will recognise, this is an issue which needs time to resolve. It is obviously something - as I told you at our meeting - that I would have to discuss with colleagues in Government. You pointed to the comments made in the Standing Commission's Report No. 3 about arrangements for the future, and we shall clearly need to take account of the general report on future arrangements which the Commission intend to produce by the late Spring or early Summer.

It is not possible for me at the present time to offer you any more explicit indication of the sort of arrangement that we might arrive at for the future, but I hope that what I have said will serve to reassure the Staff Side of my concern to find a lasting solution to the longer term problems, and of my readiness to take part in discussions aimed at resolving these problems as soon as we are in a position to do so. I hoped that, in the light of this assurance of good intent for the longer term, you would be willing to proceed to a settlement of the 1980 negotiations within the limits which the Government have decided are necessary at this stage.

I am copying this letter to Mr Wallace, the Management Side Chairman, as his Side of the Council will be equally interested in the outcome of our discussions.

Yours sincerely
Gerard Vaughan

DR GERARD VAUGHAN

NURSES PAY: A SPEAKING NOTE

Since the Government took office in May 1979 nurses have received a very considerable increase in pay. The total paybill in May was about £1600m - after implementation of the 1980 settlement it is expected to have risen to £2400m. In terms of actual pay increases - rather than increases in staff - this amounts to 46 per cent. The Government's acceptance of the Doctors and Dentists Review Body report has to be seen in this context.

The fact is, that nurses had their catching up exercise in 1979, through the (Clegg) Standing Commission on Pay Comparability. In that year, they received a nine per cent increase from April, followed by a reference to the Standing Commission. The Commission's award was estimated to add a further 19.6 per cent to the total pay bill, to which the Government added £2m, to avoid having any nurses suffer pay cuts which would otherwise have resulted from simply implementing the terms of the Whitley Council's agreement and the Commission's award. The Government had also agreed, shortly before the Commission reported, to significant pay increases for the holders of the top nursing posts in the NHS.

Following the Clegg report there were strong representations from the nursing profession seeking an early reduction in their working week, in the light of comments made in the Commission's report. So that the standard working week for nurses could be reduced from 40 hours to 37½ hours a week, a further 6.7 per cent (£116m) was added to the pay bill for 1980/81.

Currently, negotiations are in progress for the main 1980 pay settlement for nurses. When they are completed, the increase will be back-dated to 1 April. The Government have made it clear that these negotiations must be undertaken within the Government's general 14 per cent cash limit increase for the public sector.

To obtain a true comparison of the relative treatment of doctors and nurses, one needs to look at what has been happening between 1978 and the completion of the current pay round. During this period, the total pay bill for nurses (including the 14 per cent now on offer) will have gone up by some 65½ per cent. A very small portion of this reflects some slight increase in the nursing workforce but, in the main, the increase is made up of increases in pay and various allowances, together with the cost of reducing the working week. The calculation over the same period shows that doctors' pay will have increased by 66 per cent. Thus, when a valid comparison is made, the charge that this Government has grossly discriminated against nurses just does not stick.

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

28 May 1980

T Lankester Esq
Private Secretary to the
Prime Minister

Dear Tim,

NURSES' PAY NEGOTIATIONS

Clive Whitmore's letter of 27 May to Bernie Merkel asked DHSS for a brief for the Prime Minister's meeting with the Staff Side of the Nurses and Midwives Whitley Council tomorrow. Our officials have seen lengthy DHSS internal briefing, but we are not at all sure that we have seen the briefing actually supplied to the Prime Minister. Since time is so short, I thought it worth setting out the main points which the Treasury would like to bring to the Prime Minister's attention. If these merely duplicate DHSS briefing, please disregard this letter.

i. The reactions of NUPE and the nursing profession to the DDRB Report raises a serious problem for the Government on the pay front, both in the rest of the Health Service and elsewhere;

ii. The sums at stake are very large in relation to the NHS budget. There are therefore major implications for public expenditure, cash limits and the standard of health care which the NHS is able to provide within its cash limit, which there can be no question of increasing;

iii. Professor Clegg has already reported on the pay of the nursing profession. The nurses will also benefit from Clegg's implied recommendation to reduce the working week [confidential, not for use: the Chancellor has told Mr Jenkin that the additional cost of this last element could be separately financed];

/iv. The issues raised

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iv. The issues raised are of sufficient importance to merit collective consideration by Ministers;

v. We assume that the Prime Minister will merely note the views of the Staff Side without commitment.

I am copying this letter to Bernie Merkel.

y/wr,

MAH

M A HALL
Private Secretary

CONQUEROR

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10 DOWNING STREET

Prime Minister.

I attach the letter from the
Staff Side of the Nurses and
Midwives Whitley Council asking
for a meeting with you.

I also attach a telegram
from NUPW asking you to see the
Staff Side.

RHW

27.v.

A handwritten signature, possibly 'RHW', followed by a horizontal underline.

Press office

NURSES AND MIDWIVES COUNCIL

OF THE WHITLEY COUNCILS FOR THE HEALTH SERVICES (Gt. Britain)

Staff Side and Joint Secretary:
Miss A. V. COWIE

ROYAL COLLEGE OF NURSING OF
THE UNITED KINGDOM
HENRIETTA PLACE
LONDON W1M 0AB
Telephone: 01-636 3866

27th May, 1980

The Rt. Hon. Mrs. Margaret Thatcher, M.P.,
10, Downing Street,
London, W.1.

Dear Mrs. Thatcher,

As Chairman of the Staff Side of the Nurses and Midwives Whitley Council I am writing to advise you that it was the unanimous decision of the Negotiating Committee, at its meeting today, that an immediate approach be made to you asking that you should meet with the Negotiating Committee at an early date.

You will be aware that from the outset of the 1980/81 pay negotiations, the Negotiating Committee has made clear that a settlement within the limit of 14% will be totally unacceptable to nurses and midwives. Representations were made to the Secretary of State for Social Services as a result of which the Minister of Health met with the Negotiating Committee. He endorsed the stand of the Management Side that no more money in excess of the 14% offered could be made available during the present financial year and implied that this constraint would apply to the pay settlements of all NHS employees. In these circumstances, and with extreme reluctance, the Staff Side negotiators commenced discussions with the Management Side on a "package" which the organisations would be prepared to put out to their respective memberships for consideration.

Discussions were still on-going when it was announced that the Government had approved the recommendations of the Doctors and Dentists Review Body, awarding increases to doctors totalling some 31%. The reaction of nurses and midwives was immediate and predictable. They were incensed that the Government was prepared to treat doctors so much more generously than themselves. While recognising that the total increase to doctors includes the final stage of an earlier award the fact remains that in the present financial year doctors are to receive an average 18.7% while nurses and midwives have been limited to 14%; this is wholly unacceptable to them and this they have made clear to their negotiators.

Accordingly the negotiators find it impossible to continue negotiations within the 14% limit and, recognising that a decision to accord nurses and midwives comparable treatment to doctors would need to be taken at the highest level, agreed unanimously, as I have already indicated, that you be asked to receive them urgently to discuss this issue.

continued

As you are aware, nurses and midwives have a strong sense of commitment to the service they give but they believe increasingly that this is taken for granted by government and they now look to you to redress the most recent injustice to which they have been subjected. The negotiators have been encouraged by the personal interest you have shown, both in opposition and in government, in the pay and conditions of nurses and midwives and look forward to the opportunity of elaborating to you the just claims of those they represent for improved treatment in the current pay negotiations.

Yours sincerely
David Williams

David Williams
Chairman, Staff Side,
Nurses and Midwives Whitley
Council

TEXT OF A TELEGRAM DICTATED OVER THE
TELEPHONE FROM THE N.U.P.E. CONFERENCE,
EASTBOURNE:

The National Union of Public Employees, National Health Service National Conference urges on you the need to respond speedily to the call for a meeting between yourself and the staff side of the nurses and midwives Whitley Council. We claim for nurses and midwives in their 1980-81 pay settlement parity of treatment with doctors and full funding by the Government of the costs of such a settlement.

To the Prime Minister
27 May 1980