



PRIME MINISTER

... I attach a brief on nurses' pay, which has been agreed interdepartmentally at official level. In sending it to you, it may be useful if I set out the wider political background as it appears to me in the light of the constructive meeting I had with them on 10 December (my note of 11 December refers).

The nurses are a large group (more than 400,000) which has always commanded public sympathy. It would be difficult for the Government to emerge without political damage from any dispute with them, and I think our objective should be to prevent a confrontation arising.

To do this will involve an element of preferential treatment for nurses which we must be able to justify publicly. I believe that we can do this by reference to the decision of the Royal College of Nursing and the Royal College of Midwives to forego industrial action affecting patients. Such a voluntary and public renunciation is highly unusual, and therefore significant. It is true that it applies only to the nursing organisations not affiliated to the TUC. Their membership does, however, represent a very substantial proportion of the profession as a whole; and the presumption against industrial action creates in the public mind - in my view justifiably - a belief that special treatment for nurses is right and proper. I consider, however, that it would be unwise even to contemplate anything on the lines of a formal "deal" under which special treatment is traded off against a no-strike undertaking.

The main area where the nurses are looking for special treatment is improved long-term arrangements for handling their pay. The principal political requirement is that we should clear the way to early discussions with the two Sides of the Whitley Council which can produce tangible results within a timetable seen by the Staff Side as reasonable. This means making a start on genuine discussions early in 1982, with implementation in time for the 1983 pay settlement. Our problem is, of course, Megaw, in the



in the sense that the simplest course would be to wait until the Megaw Report has been received and considered before examining new arrangements for nurses' pay. That however would imply a timetable which has not the remotest prospect of being accepted by the Staff Side. I think that the procedure which I agreed with the Staff Side on 10 December, as described in the official brief, offers the best prospect of reconciling these conflicting considerations. But I accept of course that it will have to be discussed with colleagues before matters are taken further with the nurses.

I hope you will be able to conclude this meeting by supporting this procedure, and encouraging the Staff Side to participate in the Whitley Council and tripartite discussions which were envisaged. This should enable them to go away feeling that they have had a constructive discussion which opens the way to their making genuine progress to an acceptable timetable.

It is certain that the Staff Side will also make the case for something extra in their April 1982 pay settlement, as an earnest of the Government's intentions. In this context, they will probably refer to the recent offer to the local government manual staff. One of their difficulties, as you know, is that there is effectively no scope in their case for productivity schemes or reductions in numbers; and they are very concerned about the inflexibility this involves.

I suggest that the best course would be for you

- (a) to point out that all the NHS Whitley Councils, including that for nurses and midwives, will need to negotiate pay settlements for 1982/83 against the background of the Chancellor's statement on public expenditure, which indicates that the 4 per cent figure is not a pay norm but an indication of the provision which the Government could make for increased pay overall in the approved programmes. (You would thus not be saying that it must be 4 per cent and no more, nor that there is no restraint on what can be afforded);



- (b) to emphasise the value to the nurses not only of their job security but of the fact that - by virtue of this Government's policies - nursing is still an expanding profession;
- (c) to stress the prior importance of getting the principles for the longer term established.

The nurses may complain that nothing has yet been done even though our initiative was taken as long ago as August 1980. The fact is that, despite repeated prodding, the Staff Side did not respond for twelve months, preferring to give priority to their then pay claim. Had they responded quickly, matters might have been settled before now. Their delay meant that, when they did reply, circumstances had changed (notably Megaw). I do not think it will help to emphasise this, but you should know the background. You should also know that recent meetings with the Staff Side have shown that, largely because of divided counsels, they find great difficulty in choosing between the options, and are in effect trying to get us to choose for them. This is not what was intended - but, as matters have turned out, I think we shall have to help.

I am sending copies of this minute and of the enclosure to the Chancellor of the Exchequer, the Secretary of State for Employment, the Secretaries of State for Scotland and Wales and to Sir Robert Armstrong.

17 December 1981

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PRIME MINISTER

NURSES

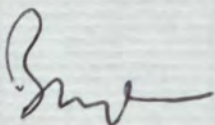
I have made the following arrangements for tomorrow's visit:

- (i) any accompanying demonstrators will not be allowed in Downing Street; they will be held at the gates. We must avoid a three ring circus in the Street itself;
- (ii) reporters and cameramen will be allowed into Downing Street and will interview the nurses afterwards;
- (iii) I will attend the meeting and provide briefing afterwards for press officers, liaising with Mr Fowler's staff.

If necessary I will call a general briefing afterwards, but we agreed this morning that it would be desirable for Mr Fowler to give radio and TV interviews in order to get the Government's position clear. I have made arrangements for Mr Fowler to do this in No. 12 but his Director of Information tells me his initial reaction was against. He will review the situation tomorrow morning.

We know before we start that the nurses are not coming here to be helpful and will exploit the meeting as best they can. We must make sure that undue optimism is not generated and that it is clear that you were not negotiating. This is best done on the record by a Minister.

If Mr Fowler does not wish to do it, I could go on the record, on an agreed line. I am sure you will agree we should avoid a joint statement with the nurses.



B. INGHAM

17 December 1981

**DEPARTMENT OF HEALTH & SOCIAL SECURITY**

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

Telephone 01-407 5522

*From the Secretary of State for Social Services*

Michael Scholar Esq  
Private Secretary  
10 Downing Street  
London SW1

17 Dec. 1981

*Dear Michael*

I am enclosing copies of the brief for the Prime Minister's meeting with the nurses tomorrow, together with a covering minute from my Secretary of State.

You asked for a figure for the number of nurses so that the Prime Minister could have this in mind for the meeting. In September 1980 (the latest complete estimate we have) there were about 450,000 nurses (qualified and unqualified) in Great Britain, in whole-time equivalent terms.

*Yours ever**David Clark*

D J CLARK  
Private Secretary

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BRIEF FOR THE PRIME MINISTER'S MEETING WITH REPRESENTATIVES OF  
THE STAFF SIDE OF THE NURSES AND MIDWIVES WHITLEY COUNCIL AT  
3.30 pm ON FRIDAY 18 DECEMBER 1981

1. The Staff Side asked to meet the Prime Minister to establish the Government's intentions on the longer-term arrangements for nurses' pay. They are unlikely to wish to discuss the current pay round in any detail, since they have not yet formulated a claim - their settlement date is 1 April; but they may indicate that they will be looking for something more than 4 per cent. Annex A gives particulars of those who will be representing the Staff Side.
2. The Prime Minister previously met the Staff Side on 29 May 1980, when they sought a pay increase larger than the 14 per cent then on offer. The note of that meeting is attached (Annex B).

## THE CURRENT PAY ROUND

3. The Staff Side will not wish to discuss this in any detail, since they do not expect to put in a claim for 1982/83 until mid-January. However, they may emphasise the need for something more than 4 per cent as a gesture of good faith, and refer to the recent pay offer to local authority manual workers. There seems no purpose in pursuing any of these issues in advance of a pay claim being submitted, and it is suggested that the Prime Minister should do no more than take note of what the Staff Side say.

## LONGER-TERM ARRANGEMENTS

### Background

4. For many years the history of nurses' pay has been one of erosion of their relative position, punctuated by catching-up awards. The most recent of these were the Halsbury settlement in May 1974 and the Clegg award in January 1980. The Clegg report was a disappointment to nurses since, although it increased their paybill by more than 20 per cent and was immediately enhanced by a reduction in their working week from 40 to 37½ hours, it did not completely restore the Halsbury position. The attached background note (Annex C) shows the substantial increases in nurses' pay which have nevertheless taken place under this Government.
5. The Staff Side maintain that improved methods of determining nurses' pay are necessary to avoid the continual erosion of their position and the consequent need to mount periodic campaigns to secure redress. They argue

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that the policy of major sections of the profession not to take industrial action is a justification for special arrangements, but that this policy might be impossible to maintain if the favourable treatment enjoyed by eg the police and the fire service continued to be denied to nurses.

6. The Government accepted the need for better arrangements when, with the agreement of the appropriate Ministerial Committee, the Minister for Health in August 1980 wrote to both Sides of the Whitley Council suggesting possible ways of improving the pay system and inviting comments. (Copy of letter at Annex D.) The Management Side responded in December 1980 and the Staff Side in August 1981. In their response the Staff Side put forward a number of options, ranging from a link with the earnings index to a complex system of pay comparability, but did not state any preference. Since then the Staff Side have met both the Secretary of State and Minister for Health when, though they have argued their general case, they have not been able to narrow down the options.

## History of discussions with nurses since April 1980

7. The two possible approaches suggested by Minister for Health in August 1980 were:

(a) a "basket of analogues", which could be used to determine what overall annual pay increase was appropriate, but would have to be supplemented by the identification of objective factors (eg recruitment and retention of staff) suitable for determining the initial absolute level of pay;

(b) precise pay analogues for a small number of pay grades which would enable pay levels to be established for all grades from a few fixed points.

To these the Staff Side in their response have added:

(c) factor analysis (the approach adopted by Clegg);  
(d) a link with occupations with similar characteristics such as 'emergency duty' (eg police, firemen);

(e) broad skill group - ie a link with the average pay of non-manual workers.

8. When the Secretary of State for Social Services met the Staff Side last week he pointed out that a system for nurses' pay could not be worked out in isolation from the Government's consideration of the central issue of reconciling cash limits on public expenditure with its responsibilities as an employer. Megaw was dealing with this issue for the Civil Service and any new system for nurses would have to be compatible with what emerged from Megaw. The Secretary of State, in response to a request from the Staff Side, said that he would consider whether he could indicate to them, for a meeting with both Sides of the Whitley Council as early as possible in 1982, which options seemed likely to be broadly compatible with what emerged from Megaw. This would enable further work on the arrangements for nurses to proceed with a reasonable likelihood that the outcome would be relevant, though no final decisions could be taken until the Government had been able to consider the Megaw recommendations. The Whitley Council has been asked to try to define more clearly its own view of the general principles involved at a meeting already arranged for 12 January.

9. It emerged from the discussion that the Staff Side are looking for a commitment to the introduction of a new system in April 1983, plus "something on account" in April 1982 to show tangible evidence of the Government's good faith. (DHSS Ministers have always been very careful to make clear that no undertaking can be given about the date of introduction of any new system.)

Nature of problem

10. Handling the nurses presents a dilemma. On the one hand, it is necessary, if a confrontation highly damaging to the Government is to be avoided, to satisfy the nurses that early progress can and will be made in developing a new pay system, with a prospect - they would like a guarantee - of introducing it in time for their 1983 pay settlement.

11. On the other hand, later developments have to a considerable extent out-dated the approach envisaged in the letter of August 1980 -

(a) The disadvantages of simple comparability are much more clearly seen. The PRU and the Clegg Commission have both been wound up.

(b) The special pay arrangements for the Armed Forces, the police and the fire service are under question (not for mention to the nurses).



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(c) Ways are being sought of bringing market factors - recruitment and retention of staff, job security, efficiency - to bear on pay determination. One of the central issues for the Megaw Committee is how to reconcile improved pay determination arrangements which reflect these considerations with what can be afforded, as reflected in cash limits.

12. The Megaw Committee gives raise to difficult timing questions. It will not, and cannot, provide a ready-made new system for nurses - their problems are different from those of the Civil Service. But it will be dealing with a number of general issues which are highly relevant to any pay system for nurses, which therefore cannot be settled until the Government has received the Megaw report and been able to give it at any rate preliminary consideration.

13. It is suggested that the best answer to this dilemma is to make clear to the nurses that final decisions about their pay arrangements cannot be made until the Megaw report has been received; but that the Government should seek to enable them to make some real progress meanwhile by indicating to them lines of approach which seem likely to be compatible with the Megaw recommendations. For this purpose, work will need to be undertaken by officials, and no doubt subsequently referred to Ministers. The aim would be to enable discussions with the Whitley Council to be resumed as early as possible in the New Year. At the recent discussion with the Secretary of State, the end of January was taken as a target; but it would be unwise to be firmly committed to this, since much work has to be done first.

## Handling of meeting

14. The Prime Minister might at the outset invite the Staff Side to state their case. In replying, she might indicate her appreciation of the services given by nurses, and of their sense of duty as exemplified by the decision of some of their major organisations not to take industrial action. The Government has in fact given priority to the NHS and, despite the very severe economic difficulties, has provided for the continued growth of expenditure on it. In real terms, there has been a growth of just over 4 per cent since the Government took office and, in the two years to last March, the number of nurses employed increased by some 20,000.

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15. She might then explore some of the elements which might be involved in any new pay system -

- (a) Comparability will be one element - but
- (b) It is essential that market forces should be fully reflected.
- (c) It is also essential that proper account be taken of what can be afforded - there can be no question of offering a blank cheque.
- (d) There could also be other elements - eg indexation of direct links of various kinds. The Government has serious reservations about this kind of approach, which tends to negate the application of market factors.

It would be helpful for the Whitley Council to bear these policy considerations in mind at their meeting on 12 January.

16. There are some knotty policy problems here. There are also problems, for both Government and Staff Side, over timing. The Megaw report will of course deal with Civil Service pay, not nurses' pay, and the problems of the two groups are not the same - nurses indeed are sui generis, which is one of the causes of all our difficulties. But Megaw will be dealing with some crucial general issues which certainly will be relevant, and Ministers would not feel able to reach final decisions on the arrangements for nurses until they have received the Megaw report and been able to give it at least some preliminary consideration.

17. The proposal is that, within the broad policy considerations just outlined, the Government should try to indicate some fields of work, which are likely to be compatible with the Megaw recommendations or to relate to matters special to nurses which the Megaw report will not deal with (eg the special technical problems in drawing comparisons and in applying market factors in the particular circumstances of nurses), which could be pursued actively during the coming months by the Whitley Council, with the help of the Secretary of State and his Department as appropriate. The object of this procedure would be to keep fully open the possibility of bringing new arrangements into effect for the 1983 pay settlement. It is of course not possible to give definite assurances now as to the content or timing of the decisions which the Government will have to take at a later stage. But Ministers aim if they can to meet the wishes of the nurses, and this seems the best way of doing it.

18. It seems likely that the Staff Side may respond constructively to such an approach. The aim of the meeting is not to reach decisions, though analysis of the policy issues and the proposed procedures will be most helpful. The objective perhaps is to take the Staff Side into the Government's confidence as to their problems and general thinking, and thus enable them to present the meeting to the profession generally as having been friendly and constructive, and as having opened the way to continuing substantive discussion of important elements of possible new pay arrangements, on a basis which leaves the way open to implementation in 1983.

Additional points

19. Points on which the Prime Minister may like to be forewarned include:

(i) There has always been a direct link between nurses' pay and that of the professions supplementary to medicine (radiographers, physiotherapists, occupational therapists [redacted] are the main ones) - these professions were, for example, the subject of reports by Halsbury and Clegg. It may prove inevitable that any arrangements made for nurses' pay should be extended also to these groups.

(ii) The nurses may ask whether the Government is going back on the terms of the letter of August 1980. The short answer is 'no'. Certain developments have taken place in the field of public services pay which affect the way in which matters are handled; but the Government's commitment to seek improved arrangements for dealing with nurses' pay of course still stands - as is evidenced by this meeting.

(iii) The question of "no-strike" agreements may be mentioned. The Staff Side will not offer such an arrangement, because the affiliated trade unions have not foregone industrial action; and Ministers have taken the view that no-strike agreements are in fact not a desirable objective in principle. But the fact that some of the main nursing organisations have foregone industrial action will be presentationally helpful in drawing a ring-fence round any special arrangements applied to the nurses.

## STAFF SIDE REPRESENTATIVES ATTENDING: [REDACTED]

<u>TUC AFFILIATES</u>	<u>Organisation</u>	<u>Background</u>
David Williams	COHSE	Elected 1981 National Executive Committee of Labour Party
Staff Side Chairman	Assistant General Secretary	Member Surrey AHA Likely to do most of the talking. Moderate and conciliatory - represents lowest paid qualified nurses: may use grounds of reasonableness to play for a sympathetic approach. Well respected by Staff Side colleagues. Could deliver a speech using all forms of dramatic pathos.
Hector Mackenzie	COHSE	Quiet and retiring, fair minded and reliable: unlikely to speak but a careful observer of detail. Has a seat on the Administrative and Clerical Whitley Council Staff Side.
	Deputy to David Williams (as above)	
Bob Jones	NUPE	Aggressive and tendency to sabre-rattle: sharp eye for arithmetical points. Representing lower paid staff but with interests in Ambulance-men's Council of which he is Staff Side Chairman. Favourite ploy is to appear avuncular whilst hitting below the belt: unreliable and with good press contacts which he uses frequently and unscrupulously.
Hugh Bayley	NALGO	Representing middle grades. Single minded for NALGO's interests and unreliable. Will use any points made to embarrass the speaker later. Will look for points to use on the Administrative and Clerical Staffs Council. Mainly concerned with staff transferred from LA employ in 1974 - Brash, aggressive, forments confrontation and not much liked by senior Staff Side colleagues.
Charlie Donnet	Managerial, Administrative Technical and Supervisory Association	Few Nursing members represented. Moderate and bright but unlikely to speak - also member of Administrative and Clerical Staffs Council.

PROFESSIONAL ASSOCIATIONS

Miss Catherine Hall Staff Side Vice-Chairman	RCN General Secretary	Chairman of UK Central Council - the body set up to take on all statutory training responsibilities for nurses, midwives and health visitors. A substantial and respected figure in the Profession. Moderate, reasonable and statesman like - represents particularly the top nursing grades: may appeal on sense of disappointment and successive bolstering of hopes only to be dashed. Plays particularly on nursing sense of loyalty and distaste for resorting to any form of industrial action whilst seeing others apparently gain by it. Privately accepts timing difficulties on nurses pay but wants a firm commitment for 1983.
Trevor Clay	RCN General Secretary Designate	Regarded by some as a man in a woman's world - has worked hard on charm to attain a much coveted rank in the College.
Miss Marylin Castle	RCN Deputy Labour Relations Officer	Unlikely to make substantial points but may well speak in support of RCN members generally. Acting Staff Side Secretary in absence of Miss Val Cowie
Miss Gillian Gibb	RCN PA to Staff Side Secretary	Takes verbatim shorthand notes on all occasions.
Miss Heather Nightingale	Association of Nurse Administrators	Representing the higher management grades of the profession. Unlikely to speak except in support of another speaker.
Mrs Margaret Hardie	Royal College of Midwives	Representing the midwifery and community services staff. If given the opportunity may speak in pained fashion of perceived disappointments by individual nurses but will not make substantial points.
Mrs Jane Wyndham-Kaye	Health Visitors Association General Secretary	A lawyer with a sharp mind and turn of phrase: may try to 'score points' by picking up any apparently loose phrase. Represents top nurses - particularly the community nursing services staff and will pick up any reference she feels to be biased towards hospital services only. Tends to be abrasive.
Archie MacMillan	RCN Scotland	Quiet, moderate and shrewd. Representing nursing staff in Scotland in particular. Unlikely to speak at length.

RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND THE NURSES AND MIDWIVES WHITLEY COUNCIL AT 0930 ON THURSDAY 29 MAY 1980 AT NO. 10

- |   |                   |
|---|-------------------|
| <u>Present:</u> Prime Minister                | Mr. Williams      |
| Secretary of State for Social Services        | Miss Cowie        |
| Minister of State, Health and Social Security | Miss Hall         |
| Miss Whitehead                                | Miss Clague       |
| Mr. Harrison                                  | Mr. Johnson       |
| Mr. Brereton                                  | Mr. Jones         |
| Mr. Wolfson                                   | Mr. McKenzie      |
| Mr. Ingham                                    | Mrs. Hardie       |
| Mr. Whitmore                                  | Miss Castle       |
| Mr. Lankester                                 | Mr. Donnet        |
|   | Mr. Rowden        |
|   | Mrs. Wyndham Kaye |

\* \* \* \* \*

Mr. Williams thanked the Prime Minister for agreeing to see the delegation so quickly. But it was almost two months since the nurses' due settlement date and a political decision was needed to remove the existing fetters on the management side's negotiating position. The background to the present conjuncture was as follows. In April 1978 the nurses had settled at the "going rate", and as a result of this and the previous years' incomes policies they had fallen up to 20% short of the earnings of comparable groups. At that time, they - like other groups - had been told that they could negotiate for additional amounts in return for improved productivity. But the nurses had decided that it would not be right to enter into negotiations of this kind. Instead, they had asked the Secretary of State (Mr. Ennals) whether any special consideration could be given in return for not entering into productivity bargaining. A "special treatment" exercise had then been embarked on to see whether nurses could be given special treatment of the kind accorded to the firemen, the police and the doctors. But nothing had come out of this exercise. The nurses did not begrudge the fact that other groups doing difficult jobs had been given "special treatment"; they simply felt that they deserved similar treatment because they were doing a difficult job too.

/s/ Mr. Williams

Mr. Williams went on to say that the staff side had been disappointed by the Clegg Report. They had invited the Commission to take into account fully the responsibility and educational requirements of nursing, and to ignore the fact that it was traditionally a "female profession". They had argued that the average pay for nurses should be the same as the average for non-manuals (male and female). Although they had reluctantly accepted the Clegg recommendations, the latter had fallen short of their expectations; and it was against this background that they had put in a claim for 30% in all for 1980. For it was only with a percentage figure of roughly this size that it would be possible to put right the structural deficiencies which Clegg had failed to take into account. However they had been told that no more than 14% was on offer. After meeting <sup>with</sup> Dr. Vaughan, they had reluctantly agreed to continue negotiations on the basis that other groups in the health service would not be getting more than 14%. But the subsequent decision on doctors' and dentists' pay had made it impossible for them to continue to negotiate. The staff side understood that the total of 31% for the doctors and dentists was composed of 10% for the final staging of the 1978 award and 18.7% for 1980 uprating. But their members still thought that the award was patently unjust. In particular, it was unfair that the doctors were being given an uprating of 18.7% while the nurses were being offered an extra 14% for 1980. It seemed to them that, as soon as they achieved a reasonable degree of parity following a reference to a third party such as Halsbury or Clegg, they immediately fell behind again. This was inconsistent with the view expressed in paragraphs 93 and 94 of the Clegg Report - that the relative pay of nurses should not be allowed to decline again. It would be difficult to find a permanent mechanism to ensure that nurses' pay did "keep up" if it was allowed to fall behind in 1980. In contrast to other groups in the public service, there was no possibility of bargaining for higher pay in return for a slimming of the work force. Finally, Mr. Williams referred to the Prime Minister's remark in the House on 22 May that "the rate of increase that one is entitled to have is the rate of increase that is earned". The nurses felt that they had "earned" a bigger increase than 14%.

Miss Hall said that the nursing profession were disillusioned by the Clegg award and were angry that they were now being asked to settle within the 14% cash limit. They had accepted Clegg only on the basis that some of the inequities and anomalies which he had ignored could be put right in the 1980 settlement. But this was impossible within the 14% constraint. The doctors' and dentists' award had been announced while the Royal College of Nursing were having their annual congress, and it had therefore been particularly resented. They could not understand why they were being offered 14% while the doctors were getting 18.7% for the equivalent period. Nurses had been grossly underpaid historically, and what had happened would only add to the increasing bitterness in the profession.

Mr. Johnson made three points. First, the staff side had asked Clegg to establish a clear link between nurses' pay and the National Earnings Survey. This was already done in the case of doctors and dentists, but Clegg had failed to deliver. Secondly, as Miss Hall had said, there was no chance of dealing with the structural problems within the 14% cash limit. Thirdly, in so far as the Clegg report included doctors and dentists as one of the nurses' comparators, its recommendations were already being undermined by the differential treatment in 1980.

Mr. Jones said that the nurses were having to carry the burden of the higher cost of doctors' and dentists' pay than had been allowed for in the cash limit. Miss Hardie said that there was an increasing shortage of midwives because of inadequate pay levels. Mrs. Wyndham Kaye said that very few health visitors would benefit from the shorter working week which was being provided for; their car allowances were inadequate; and in so far as they worked closely with General Practitioners, and helped them to earn their living, they were particularly sensitive to the large settlement for doctors. Miss Clague said that the pay structure for nurses was very flat, and as a result, at top levels responsibility was not adequately compensated. It was unfair that top nurses were paid less than hospital managers with comparable responsibilities.

/ The Prime Minister



The Prime Minister said that, on coming in to office, the Government had been pledged to bring doctors' and dentists' pay up to date in accordance with the recommendations of the Doctors' and Dentists' Review Body, and to implement the recommendations of the Clegg Commission on nurses' pay - whatever the figures they came up with. In spite of the difficult economic circumstances, with little or no extra output in the economy, the Government had honoured both pledges. They had done this even though it meant reducing expenditure elsewhere. As regards nurses, the Government had in fact done considerably more than honour the Clegg recommendations. First, they had provided an additional £2 million to meet some of the recommendations in the Speakman Report on comparative responsibilities of top post holders. Second, they had provided £2 million to protect some nursing staff from suffering short-term pay cuts which would otherwise have resulted from the direct application of the Clegg recommendations. Third, they had provided an extra £116 million to pay for the reduction in the working week from 40 hours to 37½ hours. Taken together, this meant that the increase currently on offer was not 14% but over 20% - in addition to what had been paid following Clegg. Since the election, there had been a 50% or £800 million increase in the cash resources devoted to nurses. All but £60 million of this was for increased pay. The Government had set out to be fair and honourable to both doctors and nurses, and they believed they had been. It had to be remembered that there were some groups in the public sector and others in the private sector that had received less than 14% and had not benefited from reduced working hours. Taking together the Clegg award, the additions that had been paid, and the 14% on offer, she felt that the Government's record on nurses' pay was very reasonable. She recognised the Staff Side's concern about maintaining the relative pay of the nursing profession and their concern that there should be a permanent mechanism to achieve this. The Government were currently considering the whole question of public sector pay, and Dr. Vaughan had offered talks on the specific question of future arrangements for nurses' pay. The Government wanted its public servants to be paid well, but the nation's ability to pay had to be taken into account. She hoped that the nurses would look at all the improvements which had been made in nurses' pay and working conditions over the past year, and accept the 14% that was on offer.

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The Secretary of State for Social Services said that it had been made clear before the election that a repeat of the "four year ratchet" on nurses' pay must be avoided; and that was why a permanent solution, on the lines indicated in paragraph 94 of the Clegg Report, was needed. In comparing doctors' and nurses' pay, he hoped that the Staff Side would take into account the fact that since April 1978 the respective paybills had increased by almost an identical amount - 65½% for nurses (including the 14% offer) and 66% for the doctors. He hoped that they would also give the Government credit for the extra £116 million or 6.7% accounted for by the shorter working hours. As regards the point raised by Mr. Jones, it was not correct that the nurses would have to pay for the doctors' and dentists' award. The original cash limit for the health services, although it assumed some improved efficiency and cutting-down of waste, was adequate to cover the doctors' and dentists' award. Dr. Vaughan added that he hoped the Staff Side understood that the Government were sympathetic to their general case that their relative pay position should be maintained. He had already had a helpful meeting with the Staff Side, and he hoped that they could now accept the 14% on offer and then start discussions on future arrangements.

Mr. Williams said that, while they had had a useful meeting with the Minister, the situation was now changed by the doctors' and dentists' award. Notwithstanding the 65½%/66% figures quoted, if 1 April 1980 was regarded as the end of catching up for both groups, the nurses could not understand why they were now being offered 14% while the doctors were being given 18.7%. Mr. Jones said he still could not accept that the nurses would not be paying for part of the doctors' settlement: on his understanding, the doctors' and dentists' award would cost £50 million more than allowed for in the cash limit.

Miss Hall said the nurses could not accept that the extra £116 million was a bonus on top of the 14%. The Clegg Report was based on a 37½ hour week; the nurses therefore felt that they should be paid the recommended amounts for a 37½ hour week as a matter of natural right. The Prime Minister responded that the £116 million was still real money and had to be found by economising elsewhere in the public sector. She

/ thought

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thought the nurses really ought to take it into account.

Mr. Williams said that they had come hoping for some indication that there might be a little flexibility on the 14%. He did not think that the explanations provided of how the Government was honouring its commitments would satisfy the nurses. Mr. Jones added that he and his colleagues had spelt out all the figures to their respective conferences, and there was no way of persuading their members that the 14% was enough.

The Prime Minister said that she had made it clear that she was not in the business of negotiating; but she was equally clear that the Government could not provide any further funding for the 1980 settlement. But the Government would certainly be considering the points in paragraphs 93-94 of the Clegg Report about future arrangements for nurses' pay.

Mr. Williams thanked the Prime Minister for the meeting but said that he and his colleagues were disappointed by the Prime Minister's response; he believed this would be shared by nurses generally. The Prime Minister said once again that the increase in the nurses' paybill since the election was very large indeed; in briefing the Press, the Government would bring this out.

R.

29 May 1980

## NURSES AND MIDWIVES PAY

Background Note

December 1981

The main problem with nurses' pay is that, unlike that of most other groups in the NHS, there has been no real basis for its determination. This has meant that nurses have often felt they have fallen seriously behind and have mounted special pay campaigns which have led to "catching-up exercises" by independent bodies eg Halsbury in 1974, Clegg in 1979. Nurses were unhappy with the Clegg award and with their pay increases since then so they are now conducting a new pay campaign to get:-

- (1) An agreed system of pay determination based on comparisons with other groups inside and outside the NHS.
- (2) More than 4% in 1982.

In addition to their general pay grievance the Staff Side since 1974 have sought pay parity between top nurses and their administrative colleagues in the NHS and although the original gap has been very substantially narrowed since the Government took office they continue to pursue full parity with some bitterness.

Pay for NHS staff represents 63 per cent of total NHS costs which have risen from £9.3 billion in 1979 to £13.3 billion this year - an increase of 5 per cent after taking account of inflation.

Movement in nurses' paybill since 1979 (Great Britain)

			COST £m		PAYBILL £m
1979	Year to March 1979				1,450
April 1979	Annual settlement at 9% and reference to Clegg Commission	=	150	-	1,600
August 1979	1st stage of Clegg Award	}	22%	}	-
April 1980	2nd stage of Clegg Award 1979-80 top nurses (Speakman) award				
April 1980	Annual settlement at 14%				2,297
April 1980	Reduction in working week from 40-37½ hours costed at 6½% increase in basic pay	=	116	-	2,413
April	Annual Settlement at 6%	=	145	-	2,558

Paybill figures are affected by the cumulative effects of percentage pay

increases and by changes (over this period, increases) in gross staff numbers. These figures do not include London Weighting or any employers contributions payments (National Insurance, etc).

1% of current paybill - ie for 1981/82 = £25.58m

The current paybill represents: daily expenditure of £7m  
; hourly expenditure of £300,000

Appended is a salary comparison sheet giving salary movements in cash and percentage terms for nursing grades from 1979/80 to 1981/82.

47/51

M/257/1062



ANNEX D

DEPARTMENT OF HEALTH & SOCIAL SE

Alexander Fleming House, Elephant & Castle, London

Telephone 01-407 5522

From the Minister for Health

Mr D Williams  
CCHSE  
Glen House  
High Street  
Banstead  
Surrey

CC Mr Exerlon

Miss Spencer

Mr Benner

Mr Radford

Miss Whitehead

Mr BA Hamson

Mr Fawell

Prof Dyson

file F.11 (with papers)

(similar letter sent  
to Agent Side Chmn)

28/8 August 1980

*Dear Mr Williams*

You are aware of Ministers' concern about the problem of the relative decline in nurses' pay which has tended to follow a general pay adjustment. We are also conscious that some dissatisfaction has been expressed at the outcome of the Standing Commission's review, despite the substantial additions to the pay bill which resulted from it.

It would be misleading to suppose that there is a simple solution to these long-standing problems, or that there is any current prospect of injections of money over and above the general levels of funds becoming available for spending on the National Health Service. The Secretary of State and I are however very conscious of the need to seek a solution, especially in view of the commendable attitude so widely adopted by nurses and midwives of putting the interests of patients first and refusing to resort to industrial action in support of their own pay claims. We have therefore been giving preliminary thoughts to ways in which the problem might be tackled and the Secretary of State has asked me to write to you to seek the reactions of the Staff Side to two possible approaches. Either of these approaches might require independent objective advice, from an appropriate body or person, as to its precise application; but this is something which can be pursued only when the broad approach to be used has been determined.

The first approach would be to design what might be described as a basket of analogues, in order to arrive each year at an appropriate percentage figure by which the pay of the profession as a whole should move forward, leaving the pattern of distribution of the total sum thus arrived at for negotiation by the Whitley Council. Care would be needed in ensuring that the particular analogues chosen were appropriate for the purpose, and in devising detailed methods for applying the data thus derived to nurses and midwives. If this approach were adopted in relation to pay movement, it might be thought necessary in addition to consider what objective factors could help in determination of the absolute level of pay. Here, we have in mind the possibility of an independent objective assessment of the relevance of levels of pay to the ability of the NHS to recruit and retain nurses and midwives of the required calibre for the various

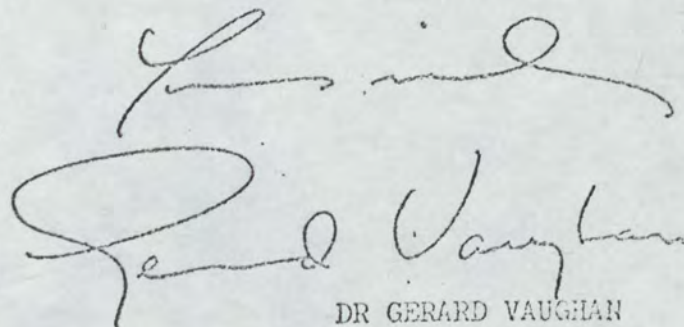
tasks which the professions perform. Of course it can be argued that other factors are also important, but the ability to recruit and retain people of the necessary calibre is plainly a vital element which, so far as we are aware, has never yet been objectively assessed.

The second approach which might be considered would call for the identification of precise pay analogues for a small number of pay grades selected from across the full range of nursing and midwifery grades. By this means, the appropriate pay levels might be established at a few fixed points in the nurses' pay structure, with the pay of the remaining grades then being a matter for negotiation within the overall pattern set by the fixed points.

I should be glad to have the reactions of the Staff Side to the possible approaches which I have outlined above. I assume that the Management and Staff Sides will wish to consult together about these proposals, but it is of course for them to decide whether they wish to respond jointly or separately.

Finally, let me add that we are anxious that efforts to find solutions to some very real difficulties should not be impeded by misunderstanding or ill-informed comment. It might therefore be helpful if I sought to put this letter in perspective. We are not, as I am sure you will recognise, making a new pay offer, proposing an instant solution to the erosion problem, or providing some form of immediate guarantee. All that we are doing, without commitment and as a basis for further discussion and study, is to make some positive proposals which we hope will help us to find a constructive way forward. Questions regarding implementation and timing are matters for future consideration. We need first to find ways of moving forward. I believe the suggestions contained in this letter could provide a basis for finding a long-term solution to the problems which have bedevilled nurses' pay for so long. I hope that both Sides of the Whitley Council will be able to let me have a positive and constructive response to them.

I am writing in similar terms to Mr Wallace.



DR GERARD VAUGHAN

MR. SCHOLAR  
MR. RYLANDS  
MR. TAYLOR  
FRONT DOOR

The following will be attending the meeting with the Prime Minister at 1530 on Friday 18 December but will be arriving for a prior meeting at 1445:

Mr. D. Williams: Chairman of the Council COHSE  
Miss K. Hall: General Secretary Royal College of Nursing  
Mr. R. Clay: General Secretary elect RCN  
Miss M.A. Castle: RCN  
Mr. A. Macmillan: RCN Scottish Board  
Miss H. Nightingale: Association of Nursing Administrators  
Mr. H.V. Mackenzie: National Officer COHSE  
Mrs. J. Wydham Kay: General Secretary Health Unions Association  
Mr. C. Donnet: Managerial, Administrative, Technical & Supervisory Association  
Mr. H. Bayley: Organising Officer of NALGO  
→ Mr. R.L. Jones: NUPE  
Mrs. A.M. Hardy: Royal College of Midwives  
Miss Jillian Gibb: Notetaker

+ Secretary of State for Social Services

Sir K. Stowe.

Dame Phyllis Friend.

Mr. Bennet (from the Department.

Dr. Vaughan

ES.

16 December 1981