

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

10 September, 1982.

Dear John,

National Health Service Pay

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The Prime Minister has asked me to send to all members of the Cabinet the attached briefing note on NHS pay. Following yesterday's Cabinet Meeting, considerable publicity has already been given to the Government's case on the lines set out in this note. The Prime Minister hopes that each Cabinet Minister and the Junior Ministers in each Department will make as much use as possible of this material in the next few days.

I am sending copies of this letter to the Private Secretaries to the other members of the Cabinet and to Richard Hatfield (Cabinet Office).

Yours sincerely,

Michael Scholar

John Halliday, Esq.,
Home Office.

* This briefing note is attached to DHSS to MCS letter of 9.9.82.

**DEPARTMENT OF HEALTH & SOCIAL SECURITY**

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*From the Secretary of State for Social Services*Michael Scholar Esq
10 Downing Street

9 Sept. 1982


Dear Michael

NHS PAY

I enclose the promised briefing note for the Chief Press Secretary, along the lines we discussed earlier. I can confirm that the increases on offer to the Staff Nurse and Ward Sister grades are 7.5 per cent, as for nursing and midwifery staff as a whole.

*Yours ever,**David*D J CLARK
Private Secretary

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BRIEFING NOTE ON NATIONAL HEALTH SERVICE PAY FOR THE
CHIEF PRESS SECRETARY AT NO.10

1. The Social Services Secretary, Norman Fowler, made an oral report to his Cabinet colleagues this morning.
2. The basic facts underlying the Government's approach to National Health Service pay this year had not changed:

Nurses Pay has increased on average by 61 per cent since March 1979.

Prices rose between March 1979 and March 1982 by 49 per cent.

The nurses paybill has increased by 82 per cent from just under £1½ billion to over £2½ billion pounds. The current offer of 7.5 per cent on average is on top of these improvements. The average earnings of a staff nurse would increase to £6,281 a year compared with £5,842 in 1981/82 and £3,650 in 1978/79. The Government is committed to seeking new long-term arrangements.

Health Service Employment is secure and has grown. 57,000 more staff were employed in September 1981 than in September 1979. Over 41,000 of the increase was in nursing and midwifery staff.

The Cost to the Taxpayer has increased substantially. In 1979 the cost of the health service was about £165 per head. It is now £260. So the health service costs alone of a family of four this year is over £1,000.

Spending on the Health Service has not been cut but significantly increased by this Government. In 1978/79 spending totalled £7.7 billion. Including this years pay awards spending this year will be £14½ billion. Taking account of inflation it has grown by 5 per cent. In 1978/79 health spending was only 4.8 per cent of GDP; it is now 5.5 per cent.



3. The Cabinet agreed that the present pay offers of 6 - 7½ per cent which would cost the taxpayer an additional £420 million this year were fair and reasonable. They noted also that:

Inflation has fallen from 12 per cent in January this year to 8.7 per cent in July. The Chancellor said on 20 July "we think we can get it down to 7½ by the end of this year and perhaps better than that next year."

The Pay Offers are backdated to 1 April this year so that there are substantial arrears of pay if the offers are accepted.

The Unions are preventing any increase in pay by refusing to return to negotiations in the Whitley Councils.

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Estimated increases in basic pay, average gross and net earnings
for selected NHS grades based on current/prospective pay offers for full-time staff

Grade		Basic Pay			Estimated Gross Weekly Earnings			Estimated increase in take home pay (1)
		1981-82	Proposed 1982-83	Proposed Increase	1981-82	Proposed 1982-83	Proposed Increase	
		£	£	£ %	£	£	£	£
Nursing Auxiliary	Min	60.28	64.80	4.52 7.5	72.34	77.76	5.42	3.23
" "	Max	77.04	82.81	5.77 7.5	92.45	99.37	6.92	4.12
Student Nurse (1st year)	Min	63.10	67.83	4.73 7.5	69.72	74.95	5.23	3.11
Student Nurse (3rd year)	Max	68.91	74.07	5.16 7.5	76.15	81.85	5.70	3.39
SEN	Min	76.87	82.64	5.77 7.5	90.97	97.80	6.83	4.07
"	Max	92.73	99.69	6.96 7.5	109.74	117.98	8.24	4.91
Staff Nurse	Min	85.34	91.75	6.41 7.5	99.85	107.35	7.50	4.47
" "	Max	104.06	111.87	7.81 7.5	121.75	130.89	9.14	5.44
Ward Sister	Min	107.93	116.03	8.10 7.5	123.04	132.27	9.23	5.50
" "	Max	138.37	148.75	10.38 7.5	157.74	169.58	11.84	7.05
Senior Nursing Officer	Min	139.62	150.09	10.47 7.5	143.81	154.59	10.78	6.42
" " "	Max	162.28	174.46	12.18 7.5	167.15	179.69	12.54	7.47
Radiographer (Basic Grade)	Min	87.61	95.49	7.88 9.0	100.75	109.81	9.06	5.40
" "	Max	103.73	113.07	9.34 9.0	119.29	130.03	10.74	6.40
" (Top Grade)	Min	177.51	189.94	12.43 7.0	204.14	218.43	14.29	8.51
" " "	Max	198.24	212.12	13.88 7.0	227.98	243.94	15.96	9.50
Physiotherapist (Basic Grade)	Min	87.61	95.49	7.88 9.0	94.62	103.13	8.51	5.07
" " "	Max	103.73	113.07	9.34 9.0	112.03	122.12	10.09	6.01
" (Top Grade)	Min	214.51	229.52	15.01 7.0	231.67	247.88	16.21	9.65
" " "	Max	223.16	238.79	15.63 7.0	241.01	257.89	16.88	10.05

Notes:

- (1) Increase in gross weekly earnings less National Insurance Contributions at 6.25%, superannuation at 6% and income tax at 30% of increase net of superannuation contributions. Ignores additional National Insurance Contributions payable on existing 1981-82 earnings from April 1982 as these will be offset by reductions in income tax, effective from the same date, as a result of improvements in personal allowances.

20 July 1982 [checked S/a]

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Estimated increases in basic pay, average gross and net earnings
for selected NHS grades based on current/prospective pay offers for full-time staff

Grade	Basic Pay			Estimated Gross Weekly Earnings			Estimated increase in take home pay (1)
	1981-82	Proposed 1982-83	Proposed Increase	1981-82	Proposed 1982-83	Proposed Increase	
	£	£	£	£	£	£	£
Ambulancemen	[See separate brief on ambulancemen (page 17) The proposed new pay structure makes a direct comparison difficult.]						
	%						
Ancillary Staff							
Group 3 men	61.80	65.51	3.71 6.0	100.49	106.52	6.03	3.59
" " women	61.80	65.51	3.71 6.0	82.78	87.75	4.97	2.96
All FT men	64.89	68.78	3.89 6.0	104.17	110.42	6.25	3.72
" " women	61.83	65.54	3.71 6.0	84.02	89.06	5.04	3.00
Clerical Officer (Age 16)							
Min	44.28	46.89	2.61 5.9	45.48	48.16	2.68	1.60
Max	84.27	89.24	4.97 5.9	86.55	91.65	5.10	3.04
Senior Admin Asst							
Min	128.19	135.75	7.56 5.9	131.65	139.42	7.77	4.64
Max	156.24	165.46	9.22 5.9	160.46	169.93	9.47	5.64
Medical Laboratory Scientific Officers							
Min	95.08	100.61	5.53 5.8	111.65	118.18	6.53	3.89
Max	134.11	144.16	10.05 7.5	150.68	161.73	11.05	6.58

Notes:

- (1) Increase in gross weekly earnings less National Insurance Contributions at 6.25%, superannuation at 6% and income tax at 30% of increase net of superannuation contributions. Ignores additional National Insurance Contributions payable on existing 1981-82 earnings from April 1982 as these will be offset by reductions in income tax, effective from the same date, as a result of improvements in personal allowances.

20 July 1982

[checked 8/9]

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