

MR SCHOLAR

cc Mr Mount

PA

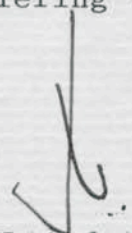
NHS PAY

Mr Fowler has asked to consult the Prime Minister this evening about the handling of the current negotiations with the NHS Unions. And Pat Benner has written around to the Official Group on Pay, including myself, warning that a decision may be needed specifically on whether it is acceptable to go to 4½% for 1983/84 for all NHS staff. The case for that rests chiefly on the fact that some Union leaders, and certainly both Spanswick and Jacques, know that the Government did contemplate the extra ½% for everybody as part of the abortive 16 September deal.

The Policy Unit cannot, of course, offer advice on the day to day handling of negotiations. But should Mr Fowler seek the extra ½% for all NHS staff, ie not just the nurses, the Prime Minister may wish to make the following points:

- (i) We must not make yet another small increase in the offer without this time achieving a settlement. The extra ½% should therefore be offered only if Mr Fowler is certain that it will do the trick.
- (ii) If the NHS Unions are holding out for even more, we should quite simply refuse. We have the upper hand in this dispute; it is the Unions who are suing for peace; and to go to the equivalent of a 5% pay factor for next year would be enormously damaging to the pay round in the rest of the public services.

I have discussed this with Michael Quinlan, who will be briefing the Chancellor in similar terms.



8 November 1982

DUTY CLERK

Message from Sir Kenneth Stowe (DHSS):

DHSS Press Office is issuing a short statement by the S/S welcoming the decision of the TUC to resume discussions and welcoming the decision to call off the strike which will enable discussions to take place.

Sir Kenneth said that progress will be reported.

HEALTH SERVICE DISPUTE



STATEMENT BY ACAS

Discussions continued this evening between officials of ACAS and the TUC Health Services Committee.

At the formal request of ACAS, the Health Services Committee agreed to call off the industrial action called for 8 November so as to enable discussions to be resumed. This means that the instructions to their members to take action on 8 November are cancelled and the request to the Transport and General Workers Union is withdrawn.

Discussions will take place between representatives of the TUC affiliated Health Services Committee and DHSS officials early on Monday 8 November. A preparatory meeting between both sides will take place on Sunday 7 November at 1600 hours.

In the event of any problems arising the services of ACAS are available.

5 November 1982