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VS 9

SUBJECT.



bcc: Mr. Vereker

cc: Master sek.

10 DOWNING STREET

From the Private Secretary

2 March 1982

NHS PAY

The Prime Minister took a short meeting this morning with your Secretary of State about the issues raised in your Secretary of State's minute of 24 February about NHS Pay. The Secretary of State for Employment, the Minister of State, HM Treasury (Mr Hayhoe) and Mr Robin Ibbs were also present.

The Prime Minister enquired how far your Secretary of State's proposals about ambulancemen's pay were a concession to the claim of the ambulancemen to be treated on an equal footing with the firemen and police. Your Secretary of State argued that what he was proposing was no more than a nod in this direction, in so far as it represented some movement towards a salaried and professional status for ambulancemen. He judged that it would assist in avoiding industrial action, at an extra cost of £1.2 million. On NHS ancillary staff, your Secretary of State said that he believed that to open the negotiation at less than 4% overall would cause an immediate explosion which would make it more difficult than it would already have been to achieve in the end a 4% settlement. The Prime Minister enquired whether there was scope for offering less than 4% to the clerical and secretarial staff. Your Secretary of State saw difficulty in this course; the Prime Minister said that she hoped that it was now clearly understood that there should be no increases in the numbers of staff in these categories; indeed, that there should be reductions, particularly in the administrative, clerical and secretarial grades.

After further discussion, the Prime Minister said that it was agreed that your Secretary of State should proceed as he proposed in his minute. She recognised that there could be no guarantee that this approach would avoid industrial action. Your Secretary of State was asked to consider the scope for reductions for numbers in staff, so as to contain the growth of the pay bill for the NHS as near as possible to 4%

I am sending a copy of this letter to John Kerr and Terry Mathews (HM Treasury), Muir Russell (Scottish Office), John Craig (Welsh Office) Barnaby Shaw (Department of Employment), Gerry Spence (CPRS) and David Wright (Cabinet Office).

M. C. SCHOLAR

D.J. Clark, Esq.,
Department of Health and Social Security.

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