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10 DOWNING STREET

From the Private Secretary

22 December 1983

Dear Sir,

MEETING WITH SIR JOHN GREENBOROUGH

The Prime Minister thanked Sir John for taking on the task of chairing the Review Body for nurses and professions allied to medicine. Sir John said that as soon as he was appointed he had begun work researching the issue and following the appointment of the other members of the Body had held its first meeting. They were struck by the huge numbers of people involved, over half a million, and the size of the pay bill of over £3 billion. Even a pay settlement at 3% in line with the Government's pay assumption would cost £90 million. He was also aware of a potential knock-on effect to other parts of the Health Service, e.g. ancillaries. The body recognised that there could be no question of returning the groups in question to levels of pay enjoyed at high points in the past, e.g. after Halsbury and Clegg. Times had changed significantly; in 1974 there was a 20% shortage of nurses and other staff and in 1979 this was 10%. Currently it was thought that 15,000 nurses were unemployed. It was therefore important to take account of recruitment and retention of staff. He reported that the pay groups were currently rejecting job evaluation and factor analysis. In his view the Body should look at all ways of determining pay.

The Prime Minister said that the principle of comparability had done immense damage in the past. It had some relevance when there were shortages of staff, as in order to recruit, one had to look at the rates of pay offered by the competition. But comparability should be given much less importance when there was no problem with recruitment. Sir John felt that it could not be ignored altogether. The Prime Minister also impressed upon him that it was important to take account of what could be afforded; the interest of the taxpayer needed to be safeguarded. She also asked Sir John to bear in mind the way in which these large groups of workers were managed. Over the last five years the number of nurses had increased by around 50,000 and the number of doctors by about 4,000. Despite this, the impact on waiting lists had been very disappointing. She regarded this as evidence of the failure of management. She hoped that the Review Body would examine how nursing staff were managed in hospitals abroad, particularly in the United States.

Concluding the meeting, the Prime Minister wished Sir John and his team well in their demanding task.

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I am copying this letter to Margaret O'Mara (HM Treasury)
and Richard Hatfield (Cabinet Office).

Yours sincerely

Andrew Turnbull

Andrew Turnbull

S.A. Godber, Esq.,
Department of Health and Social Security.

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