

PREM 19/1729

Teachers Pay

EDUCATION

PT 1: MAY 1979

PT 5: AUGUST 1985

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
6.8.85		20.11.85					
29.8.85		4.12.85					
20.8.85		9.12.85					
12.9.85		13.12.85					
13.9.85		17.12.85					
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PART 5
SECRET

Confidential filing

Teachers pay

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PART FIVE ends:-

DRN to PM 23.12.85

PART SIX begins:-

Extract of SS/DES Speech 4.1.86

pa

PRIME MINISTER

TEACHERS' PAY

You asked last week if arrangements could be made for you to meet a group of teachers.

To invite a group of teachers to No.10, however small, would sooner or later lead to publicity. This would very likely be embarrassing and would raise teachers' expectations and your profile in the dispute. We should also need to involve DES in any discussion and the meeting would necessarily become more formal and therefore less valuable.

The alternative would be to set a meeting up through the Party.

A meeting at No.10 would again tend to be higher profile. The NUT would demand to lobby you. We could no doubt beat them off, but a row of that kind is better avoided.

A further possibility would be for your agent to arrange something in your constituency. This might be useful, so long as the teachers who saw you were representative and your agent could contrive the meeting without the wider public knowing that it was at your initiative.

I dislike having to offer this rather negative advice. Would it be better now to wait to see developments in the first couple of weeks of January?

[Handwritten signature]

(David Norgrove)

23 December 1985

*I will ask my
Chairman - who is
coming to Cheyenne on
Xmas Eve night*



DEPARTMENT OF
EDUCATION AND SCIENCE

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NEWS

324/85

19 DECEMBER 1985

JP or

TEACHERS' PAY

Education Secretary Sir Keith Joseph has sent the attached letter on teachers' pay to Mrs N Harrison, Chairman of the Education Committee of the Association of Metropolitan Authorities.

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DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Cllr Mrs N Harrison
Chairman of the Education Committee
Association of Metropolitan Authorities
36 Old Queen Street
London SW1H 9JE

18 December 1985

Dear Mrs Harrison

You have asked for a response to the Management Panel's view, restated at its meeting on 11 December, that an inquiry should be established to examine teachers' pay, pay structure, conditions of service and negotiating machinery.

As I said in the House of Commons yesterday (Hansard extracts attached) the Government has no plans to set up an inquiry. I do not see that such an initiative would produce an early resolution of the current dispute in view of the unions' insistence - repeated at the talks on Tuesday - on a settlement for 1985, without strings, and at a level way above that which the employers can afford. The figure which the union leaders hit upon at those talks - 9.9 per cent - suggests to me that they are more interested in striking postures (and shoring up the false expectations they have raised) with their members than in negotiating a pay settlement.

It is important that both sides should approach the negotiations with realism. That means returning to the Government's 5 August offer, unique in the public sector, to see substantial additional public funds - £1,250 million - spent on teachers' pay and mid-day supervision over the next four years in return for an urgently needed reform of the teachers' pay and promotion structure and an equally vital clarification of teachers' duties. Only through embracing these reforms - so necessary if children are to escape the appalling disruption which they are now enduring - will the two sides unlock additional public investment in teachers' pay.

In view of the wide public interest in this matter I shall be arranging for this letter to be released to the press.

Timothy Kevill

Is the Minister aware that of the many whom I have met and who are now in dispute, he regrets having to take what he or she regards as any action to protect his or her profession and rights? Is he further aware that the teachers deeply resent the sort of suggestion that he has seen fit to make again today, that he does not look after the welfare of the children, about whom they care deeply, but that that does not prevent them from trying to ensure that their profession has a decent life and continues to attract the first-class people, whom the Government would wish it to attract?

Mr. Keith Joseph: The teachers are men and women who work by God's grace, free will and it is their decision to disrupt their children's education. There is no question of having to do anything.

Mr. Cormack: Does my right hon. Friend accept that nothing can excuse the victimisation of children that is taking place on such a wide scale, and while only the teachers can give a status to their profession, there is real concern in my right hon. Friend considering during the recesses the suggestion made by his predecessor our right hon. and hon. Friend, the Member for Warrington, South (Mr. Freud) who suggested the establishment of a review to consider the whole issue, on condition that further action was immediately called off?

Mr. Keith Joseph: The behaviour of teachers is not something that we as a Government to consider a body. Moreover, it is perfectly possible for the employers and teachers to agree on pay that rewards good teachers, recruits and retains people of the right quality, which is affordable.

Mr. Freud: Does the Secretary of State genuinely believe that he is doing enough to settle the teachers' dispute?

Mr. Keith Joseph: If the hon. Gentleman has suggestions that would be affordable, would achieve the Government's purposes, and would end the disruption, I would gladly listen to them or read them. Of the options available to the Government, I believe that the right one is to persuade the teachers to do their duty by the children and to finish the disruption now.

Mr. Powley: Would my right hon. Friend care to comment on the attitude of the general-secretary of the NUT who in a 20-minute address to the back-bench education committee he never once mentioned the effect of the dispute on the children, whom we should consider primarily, nor its financial effect? Many of us see other areas for expenditure in the education service, such as on improvement in the capitation allowance, and in housing, and on welfare in schools.

Mr. Keith Joseph: I would not be surprised if that would be true, and I am sure that the gentleman concerned would be self-righteous despite it.

Mr. Radice: With the dispute now in its 11th month, is it not about time that the Secretary of State took a fresh initiative? He has not moved since the beginning of August to end the disruption in our schools. Why does he not establish an independent fast-acting inquiry on teachers' pay, which many of us have been urging on him for many months?

Mr. Keith Joseph: The employers also asked for an inquiry and the Government considered such ideas, but

~~there is no reason to expect that an inquiry would automatically end the current disruption. I hope that the hon. Gentleman tries to bring the same persuasive power on the teachers as he does on the Government.~~

CERN

4. **Mr. Heathcoat-Amory** asked the Secretary of State for Education and Science whether he has yet decided on the level of future British contributions to the CERN project.

The Parliamentary Under-Secretary of State for Education and Science (**Mr. George Walden**): My right hon. Friend has not yet reached a decision in this matter.

Mr. Heathcoat-Amory: Is my right hon. Friend aware that the CERN project is a rare example of a successful European collaborative venture, which will help to keep Europe in the forefront of world science? Does he agree that if we alone reduce our contribution, we shall send all the wrong signals to the many other European countries involved, as well as damaging the project itself?

Mr. Walden: I agree with the first part of my hon. Friend's question and one of the first things that I did was to go to visit CERN for myself, and it is a centre of excellence. It is no part of our intention to damage it, but we have taken serious note of Professor Kendrew's recommendations, and in his view it will be possible to save 25 per cent. of the expenses. I reaffirmed in my contacts with member states that the Government continue to place the highest priority on European collaboration.

Mr. Dalyell: Why did the hon. Gentleman say last night that it would be wrong to make a hasty judgment?

Mr. Walden: Because that is self-evidently the truth. Professor Kendrew reported in June. I am undertaking a round of consultations and so far I have talked to nine of the 13 Ministers of member states. That is not evidence of hasty judgments.

Mr. Freud: Are there not grave implications for international co-operative ventures such as might come with SDI? Would it not be more sensible to invest money than to withdraw from something as valuable as CERN?

Mr. Walden: Not for the first time, I fail to see the connection between two propositions that the hon. Gentleman has put.

Dr. Bray: Is the Minister's proposal for a joint independent review of CERN similar to that of the Kendrew committee or a wider international review of particle physics research, in which the United States and the Soviet Union might participate? Does not the latter course open up wider possibilities of international co-operation?

Mr. Walden: For the moment, our objective is to secure a radical review of the CERN operations but against a neutral background of the kind recommended by the hon. Gentleman. I noted carefully the thoughtful comments that he made on this subject in last night's debate.

Teachers (Pay and Conditions)

5. **Mr. Chapman** asked the Secretary of State for Education and Science if he will institute an inquiry into the arrangements for the remuneration of teachers and their conditions of service.

Sir Keith Joseph: On 11 December, the management panel restated its view that a Royal Commission or some other kind of inquiry should be established to look into teachers' pay, structure, conditions of service and negotiating machinery. Naturally, I will give careful consideration to that request but I have to say that it is difficult to see how such action would produce an early resolution of the present dispute in view of the union's insistence on a settlement for 1985 without conditions, at a level which the employers cannot afford.

Mr. Chapman: While I hope that good sense will prevail, particularly on the part of the NUT leadership, and the dispute will be brought to an end, I should like my hon. Friend to be a little more forthcoming. Is there any good reason why he should not set up a short inquiry now, irrespective of whether the negotiations are successful, and in linking conditions of service and pay, have such an inquiry, whether or not with the co-operation of the NUT?

Sir Keith Joseph: It is not self-evident that such an inquiry would bring to an end the present disruption. Discussions are taking place this afternoon between the employers and the teachers' representatives. I do not want to pin too much hope upon what emerges from the discussions this afternoon, but I repeat that an inquiry would not necessarily end the disruption.

Mr. Spearing: The Secretary of State said earlier that this was a bitter and damaging dispute and he referred to initiatives. Would he not agree, however, that it was his initial initiative and the requirement to link appraisal and pay that has caused the length and bitterness of this dispute? Is not the Secretary of State's initiative responsible, therefore, for a high proportion of the bitterness and damage to which he referred?

Sir Keith Joseph: No, indeed not. I do not for a moment believe that my modest suggestion, which is agreed in principle by so many teachers as well as by so many members of the public, has any part to play in this dispute.

Mr. Alexander: I accept the constraints under which the employers must operate in this dispute, but is it not a fact that there is a great shortage of maths and science teachers? Is not this shortage likely to continue until arrangements can be made to make salaries attractive to graduates in those disciplines?

Sir Keith Joseph: Most certainly yes. One of the advantages of the offer that the employers made on 12 September, with the help of conditional additional money from the taxpayers, was precisely that it would have enabled employers to offer relatively attractive salaries to teachers who are in short supply.

Mr. Freeson: Whenever it is suggested that an independent inquiry of some kind should be set up—a suggestion that comes from all sides of the House and from outside—why does the Secretary of State keep on repeating, parrot fashion, the phrase, "It is not self-evident that such an inquiry would end the present disruption"? Nobody is suggesting that it would. Just because it is not self-evident to the Secretary of State, must everybody else therefore be ignored? Why will he not shift just a little bit to meet the views of many people of all persuasions and make some kind of movement to resolve the present dispute?

Sir Keith Joseph: It is an indication of the irrationality of some of the unions that are involved in the dispute that makes the right hon. Gentleman accept the possibility that even an inquiry would not bring to an end the destructive damage that is being caused by the dispute to the education of children. It is often in the minds of hon. Members on both sides of the House that, if introduced, an inquiry would end the disruption. I believe that it is right to say that that is not self-evident.

Mr. Madel: Is it not time, after 11 months of dispute, that the teacher trade unions should use the good offices of ACAS to try to resolve the dispute? Even though the full scale intervention of ACAS would not necessarily end the dispute, it should lead, first, to a lowering of the temperature and, secondly, to an end to the industrial trouble while ACAS does its best to solve the problem. Why do the trade unions not go to ACAS and be seen to be trying to solve the problem?

Sir Keith Joseph: My hon. Friend makes very sensible suggestions, but they are, alas, for the trade unions and the teachers concerned, not for the Government.

Mr. Radice: Many hon. Members on both sides of the House, and outside, will have been deeply depressed by what the Secretary of State has said this afternoon. Why does not the Secretary of State put an end to the Government's muddle, indecision and inactivity over the teachers' dispute and announce that he has decided and agreed to set up an independent inquiry?

Sir Keith Joseph: For the umpteenth time—because I do not believe that it would fulfil the hopes of many hon. Members, and of many outside the House, who imagine that the teacher unions would then behave reasonably.

Student Grant

7. Mr. Alton asked the Secretary of State for Education and Science, if he has any plans to restore the student grant, in real terms, to its 1979-80 value.

Mr. Walden: No, Sir.

Mr. Alton: Will the Under-Secretary not now admit that yesterday's decision to increase student grants this year by only 2 per cent. will mean that by next year students will have sustained a cut in real terms of 20 per cent. since 1979, and that yesterday's decision to reduce students' housing benefit, unemployment benefit and supplementary benefit during short vacations will mean that in real terms £14 million will be cut from students' allowances during the next year, making a net saving to the Government of £20 million?

Does not he also accept that he is surreptitiously introducing by the back door the provisions of his Green Paper against the wishes of his own Back Benchers?

Mr. Walden: I accept—because it is incontrovertible—that over the years there has been a cut in the grant to students. But the hon. Gentleman must accept that the number of students in this country is at an all-time high. Secondly, he must accept that students in this country benefit from the most generous system of support in the western world. Thirdly, he must accept that the cost of that support must be shared among students, parents and the taxpayer.

As for benefits, I understand that a written answer on this question is down for reply tomorrow by my right hon. Friend the Secretary of State for Social Services.





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P 01844

PRIME MINISTER

The Teachers' Pay Disputes

Flag A -

Minute from the Lord President dated 12 December
(MISC 122(85)3rd Meeting)

BACKGROUND

1. Following a brief discussion in Cabinet on 14 November, you asked the Lord President to chair a group of Ministers to assess the situation created by the teachers' pay disputes in England and Wales and in Scotland, and to consider possible Government responses to the situation as it develops.

2. Lord Whitelaw's Group (MISC 122) has now completed its initial work. It reviewed the following comprehensive range of options identified and analysed by officials:-

I CONTINUE THE WAR OF ATTRITION

Option A - Maintain Current Position

Option B - Put more Pressure on the Teachers

II TAKE THE BATTLE TO THE TEACHERS

Option C - Discard the Current Negotiating Machinery

Option D - Offer Individual Teachers Higher Pay for New Contracts

Option E - Legislate to Impose New Pay Scales and Contracts

Option F - Establish Central Government Control of Education

III MAKE CONCESSIONS

Option G - Raise the Resources on Offer X

Option H - Lower the Government's Demands X

IV APPEAL TO A THIRD PARTY

Option I - An Inquiry. X

3. As the report by officials made clear, none of the options (which



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are not all necessarily mutually exclusive) was attractive or offered any clear prospect of attaining the Government's main objectives. The Group concluded, however, that if it were judged necessary to do something other than continue the present war of attrition, some form of wide ranging inquiry into pay and conditions of service might offer the least unattractive way forward, despite the high risks involved. The Lord President's minute explains this conclusion against the background of the present disruption, an assessment of likely developments in the New Year, and the Government's educational, public expenditure, and wider industrial relations objectives. It also brings out the main risks which the Group recognised would be associated with the inquiry option.

MAIN ISSUE

4. The main issue is whether the Government could contemplate setting up an inquiry into teachers' pay and conditions of service, or whether an alternative course of action is preferable. No final decision has to be taken until the New Year, but if the possibility of an inquiry were to be accepted in principle, further urgent consideration would need to be given within Government to the detailed issues involved so that a fully prepared scheme was available for immediate action.

5. As the Lord President's minute makes clear, there are substantial risks in an inquiry. An outcome similar to those of Houghton or Clegg would be disastrous for the Government's pay policies. Treasury Ministers think that the risks are too great to contemplate, and favour continuing the existing war of attrition, though without being very precise about what exactly should be done. This view is based in part on their assessment of public attitudes towards the teachers' action: they consider that public opinion can be won to the Government's cause against the teachers' unions, and also that there is a chance of no resumption of disruption in the New Year if a settlement for 1985 is reached. Education Ministers, on the other hand, see public opinion tending to move against the Government, and also naturally place greater stress on the damage the disputes are causing to educational



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policies, and to the children themselves, and on the likelihood of resumed disruption early in the New Year (especially in Scotland). They are therefore more inclined to support a Government initiative to try to break the deadlock. The view from the Chairman of the Party and the Chief Whip is that so far there has been suprisingly little public or Parliamentary concern about the disputes, but that after Christmas, when the threat to public examinations looms larger, this may change. You will wish to assess the prospects of success in continuing the war of attrition (and the steps the Government might take to improve those prospects) before considering the case for an inquiry.

6. The risks associated with an inquiry could be reduced, though not eliminated, by careful choice of terms of reference and membership. The aim would be to draw up terms of reference which would be regarded as fair by the public and independent commentators but which oblige the inquiry robustly to tackle the key issues of management and discipline alongside the issue of pay. In particular, the inquiry would be encouraged to tackle the problem that teachers can at present cause great disruption at no cost to themselves. Consideration would be needed whether an inquiry should look wider at the division of responsibility between central and local Government. The Education Secretary sees advantage in this, and at a minimum would be pressing for greater specific grant powers. The Environment Secretary, however, has argued that such a fundamental re-appraisal of the functions of local authorities would considerably extend the scope and hence the length of any inquiry, and would also run the risk of producing conclusions inconsistent with the proposals being put forward in the Green Paper on Local Government Finance. It seems clear, however, that at some stage the Government will have to tackle the problem that local education authorities have abdicated their management responsibilities, but there would be no advantage in the Government taking an initiative to open up the whole question of local authority functions in the context of an inquiry into the pay, conditions of service and management of teachers. There is no need to decide now how the balance of potentially conflicting considerations should be struck, but careful consideration will need to be given to it if preparation



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for a possible inquiry went ahead. It is envisaged that the Report of an inquiry would be available in time to be considered alongside the responses to the Government's forthcoming Green Paper on local authority finance.

Timing

7. If it were decided to announce an inquiry, the timing would need very careful handling. It would be wrong to make an announcement before Christmas, since in England and Wales negotiations, although unsatisfactory, are continuing between the employers and the unions. Officials of the Department of Education and Science are attending an informal meeting between the employers and the teachers' unions today, and the Secretary of State should be in a position to give an oral report on the immediate prospects. Meanwhile it has been reported that the employers are unwilling to make any further offers if an inquiry is in prospect. But early in the New Year there might be a window of opportunity when decisive action by Government would command considerable public support, and so put great pressure on the unions to acquiesce in an inquiry and stop disruptive action.

The Press

8. The press appear to know that your meeting is taking place, and have speculated that the possibility of an inquiry is under discussion. It will therefore be necessary to have a statement for the lobby on the outcome. You will need to consider whether it would be sufficient to say that the Government are keeping the situation under review; they remain concerned about the damage being caused by teachers to education; £1.25 billion remains on offer in return for a genuine package on pay and conditions, as previously set out by the Government; but at present there are no proposals for the Government to intervene any further.

HANDLING

9. You will wish to ask the Lord President to report on the Group's work. The Education and Scottish and Welsh Secretaries will wish to



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give their assessments of the present situation, and to outline the case as they see it for an inquiry. The Chief Secretary will wish to stress the risks in following this option. The Chancellor of the Duchy of Lancaster and Chief Whip will no doubt wish to give a political appreciation.

CONCLUSIONS

10. You will wish to reach decisions on:

(i) whether the Government should be ready to contemplate an inquiry, or whether an alternative course of action is preferable;

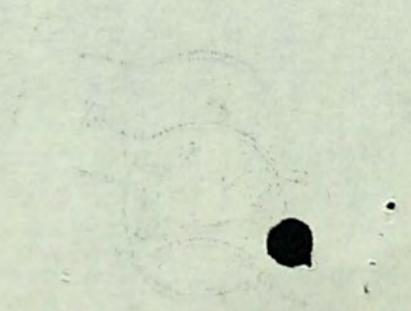
(ii) if an inquiry could be contemplated, ^{to} invite the Lord President of the Council to prepare detailed proposals for possible terms of reference and membership, which would be ready for further consideration early in the New Year, should action then seem desirable;

(iii) to agree on the line to be taken in briefing the press.

J B UNWIN

17 December 1985
Cabinet Office

COMMISSION





10 DOWNING STREET

Prime Minister

The rise for the best teachers in the annexes of this note has been adjusted from 20% to 16%, to allow for non-salary costs.

OL/PW.

PRIME MINISTER

17 December 1985

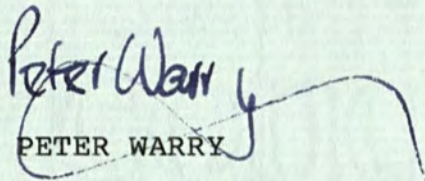
TEACHER'S PAY

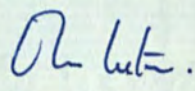
At MISC 122, you will be under pressure to agree to an enquiry.

As you know, we believe that you should resist this and fight on, giving time for midday supervision to work, and mounting a new propaganda initiative.

But if the pressure for change is irresistible, we suggest that - instead of deciding on an enquiry - you should ask Lord Whitelaw's group to consider re-structuring the current £1250 million offer.

We attach a note describing how this offer could be made more attractive to teachers and to the general public.


PETER WARRY


OLIVER LETWIN

114

RESTRUCTURING THE £1250m OFFER

The present £1250 million offer has failed to settle the dispute because:

1. No teacher can be certain that he or she will personally benefit.
2. Nobody can remember the details because the proposal is so complex and diffuse.
3. There is no extra money for the majority of teachers, who will fail to be promoted.

A Revised Package

These problems might be overcome if the package were restructured. The teachers' unions could be offered:

- Massive Pay-Rises for the leaders of the profession. The Government would fund 20% increases over 4 years for: 16%
 - a. all deputy heads and heads;
 - b. all scale 4 and 5 teachers;
 - c. the best 20% of Scale 1, 2 and 3 teachers, promoting these to new 'merit' scales, 1*, 2* and 3*.
- More money for the low-paid. The government would also fund an immediate 2% rise beyond the employer's last formal offer, for all teachers on grades 1, 2 and 3.

In return for:

- A new system of assessment. The new system would have to be approved by the Secretary of State on the advice of HMI. It would affect teachers at the point of promotion: any teacher wishing to apply for promotion to a new grade would need to satisfy a board, which would consider the annual assessment reports.

Impact

The cost of the revised proposals would still be £1250 million over 4 years, including the cost of mid-day supervision. [See Annex B].

The new offer would be conditional on settlement of the current dispute, and a promise of no industrial 'action' for 4 years. The second, third and fourth instalments of the 16% rises would be conditional on fulfilment of that promise.

Scales 4 and 5 and Secondary Deputy Heads would be paid roughly the same as Civil Service Principals at the end of the 4-year period. Secondary Heads would be on a par with University Professors. [See Annex A]

EFFECT OF SPECIAL AWARDS UNDER REVISED PACKAGE

	Present Average Pay £	New Average Pay £
Best Scale 1 Teachers	7691	9100
Best Scale 2 Teachers	9017	10669
Best Scale 3 Teachers	10574	12511
Scale 4 Teachers	12146	14089
Scale 5 Teachers	13313	15443
Deputy Heads		
Primary	10480	12157
Secondary	14059	16308
Heads		
Primary	12289	14255
Secondary	17565	20375

Notes

1. These figures exclude the end-loaded 7.5% formally offered by the employers.
2. All Scale 1,2 and 3 teachers not promoted to 1*, 2* and 3* would receive 2% in addition to the 7.5% offer.

COST OF REVISED TEACHERS' PAY PROPOSAL

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>£m</u> <u>1989</u>
<u>16% over 4 years for:</u>				
20% of Scale 1 [1*]	2	14	28	37
20% of Scale 2 [2*]	3	17	35	47
20% of Scale 3 [3*]	2	11	22	30
All Scale 4	18	35	53	70
All Scale 5	5	9	14	19
All Deputies	17	35	52	70
All Heads	18	36	53	71
<u>Total:</u>	<u>65</u>	<u>157</u>	<u>257</u>	<u>344</u>
<u>Additional 2% immediately for:</u>				
All Scale 1, 2, 3	68	68	68	68
<u>Midday Supervision:</u>	<u>40</u>	<u>40</u>	<u>40</u>	<u>40</u>
<u>TOTAL:</u>	<u>173</u>	<u>265</u>	<u>365</u>	<u>452</u>

GRAND TOTAL OVER 4 YEARS: £1,255m

Notes

1. We assume, for the purposes of the calculation, that promotions into the new merit scales, 1*, 2* and 3* are brought in steadily over the first two years.
2. We assume extra non-salary costs equal to 1/5 of the cost of salary rises.

PRIME MINISTER

TEACHERS' PAY

I share the Policy Unit's doubts about an enquiry.

- (i) to concede an enquiry during the dispute would look like and be represented as a climb down;
- (ii) it would increase nervousness about the Government's economic policies;
- (iii) Civil Servants and perhaps others would be encouraged to delay their settlements to see if they could make capital out of the report, and LA manuals in September would get the wrong signals;
- (iv) the public sector unions would be encouraged to make havoc next winter.

But if there is to be an enquiry, it should not look at pay levels. Lord Whitelaw acknowledges that an enquiry of any kind might well not stop the disruption, so why pay that price? It would surely be better to go for Megaw-style terms of reference, as attached, asking for a report on "principles and system" for setting pay, plus of course duties and conditions of employment.

Whether or not there is to be an enquiry DES should be asked to see what could be done to reassure parents that the examining boards will take the disruption into account.

P.S. Sir Keith Joseph will report on today's discussion.

See also the Policy Unit's further note below.

DRG

DRG.

DAVID NORGROVE

17 December 1985

TERMS OF REFERENCE OF THE MEGAW REPORT

“Having regard to the public interest in the recruitment and maintenance of an efficient and fairly remunerated Civil Service and in the orderly conduct of the business of Government and its services to the public; to the need for the Government to reconcile its responsibilities for the control of public expenditure and its responsibilities as an employer; to the need for good industrial relations in the Civil Service; and to recent experience of operating the existing arrangements for determining the pay of the non-industrial Civil Service: to consider and make recommendations on the principles and the system by which the remuneration of the non-industrial Civil Service should be determined, taking into account other conditions of service and other matters related to pay, including management, structure, recruitment and grading”. (*Official Report* 29 June 1981, Cols 577–584 (Commons) 8–13 (Lords)).

PRIME MINISTER

Prime Minister 2
SF
Advance papers for your
meeting next Wednesday.

DES
13/12
13 December 1985

TEACHERS' PAY

In August you were told that a total of £1,250m over four years would buy peace in the teachers' dispute. In October you were told that the new mid-day supervision arrangements would make it easier to fight and win a strike. Today Lord Whitelaw's Group suggest that the best way to settle the strike could be by having an enquiry.

To get agreement from the unions, an enquiry would have to discuss pay. We already know that such enquiries cost money. The annex to this note shows that on average they give a real pay increase of some 12%. If this were repeated for the teachers it would add £700m each year to their pay bill, in addition to any normal cost of living increases.

You have expressed preference for an enquiry that does not discuss pay, and Lord Whitelaw's Group argues for a constrained reference to pay. But neither of these tactics will gain union agreement; and an enquiry without agreed terms of reference will neither buy peace now nor produce a long term solution, because the results will not be accepted.

Despite DES pessimism, the teachers and their employers have now expressed their intention of renewing talks about the 1985/6 pay claim, as we predicted they would. But it is already apparent that rumours of an enquiry are sapping the will to negotiate seriously; as long as they continue, there is no prospect for a settlement. Lord Whitelaw's proposal to develop contingency plans for an enquiry will ensure that these rumours persist.

We recommend that you should:

1. get an enquiry quickly and publicly off the agenda;

2. concentrate on getting mid-day supervision to bite
(it doesn't start until the New Year!);
3. start getting across the message that the solution
is in the hands of the Local Education Authorities,
who are failing to take the steps either to
discipline the teachers or to ameliorate the impact
of the strike.

Oliver Letwin

OLIVER LETWIN

Peter Warry

PETER WARRY

HISTORY OF PAY ENQUIRIES

<u>Date</u>	<u>Enquiry</u>	<u>Group</u>	<u>Award*</u>	<u>Inflation Rate</u>	<u>Real Pay Increase</u>
1970	Wilberforce	Electricity	11%	7%	4%
1971	Wilberforce	Miners	22%	9%	12%
1971	Hardman	Post Office	9%	9%	0%
1974	Houghton	Teachers	37%	15%	19%
1974	Halsbury	Nurses	30%	15%	13%
1974	Pay Board	Miners	27%	14%	12%
1978/9	Edmund Davies	Police	40%+	8%	30%
1979	Clegg	Nurses	29%	10%	17%
1979	Pay Research Unit	Civil Service	24%	10%	13%
1979/80	Clegg	Teachers	35%	22%	11%
1980	Pay Reseach Unit	Civil Service	<u>19%</u>	22%	<u>-2%</u>
			Average <u>26%</u>		Average <u>12%</u>

+ plus index linking

* average level of award including any staged elements

JNMABL



CONFIDENTIAL AND PERSONAL

PRIME MINISTER

The Teachers' Pay Dispute

1. You asked me to chair a Group of Ministers to assess the situation created by the teachers' pay disputes in England and Wales and in Scotland, and to consider possible Government responses to the situation as it develops. We have now completed our initial work, and I am reporting our preliminary views with a view to an early discussion with you.

Background

2. The teachers' dispute has been running for 16 months in Scotland and 10 months in England and Wales. The unions have mounted selective strikes, but more importantly have withdrawn goodwill. Teachers are working to a minimum interpretation of their contracts, and are also engaging in lightning half hour stoppages so as to cause maximum disruption. In Scotland teachers have refused to undertake any work in connection with next year's public examinations. The disruption has been organised so as to impose the minimum cost on teachers themselves. All this is causing grave damage to the education system, and is frustrating the Government's educational objectives. Public reaction has so far been less than we might have expected, but this may well change quite quickly.

3. Although most forms of disruption used by teachers amount to breaches of contract, no local authorities have been prepared to act vigorously to resist this. Collectively they have virtually abdicated their responsibility to ensure the effective management of the education system.



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Government objectives

4. We have a number of objectives. We want an end to disruption, both now and in the longer term; we want teachers' duties clarified so that their power to cause disruption without cost to themselves is removed; and we want a new structure which will retain and motivate good quality teachers and provide for more effective management by local education authorities. We must also stick to our public expenditure plans, and minimise repercussions on the pay of other groups.

5. We now have little direct influence over the negotiations or settlements reached, or indeed over the management of education in schools. Local authorities are the employers, and pay is negotiated in Committees on which DES and SED have only small minority representation. In Scotland, conditions of service are negotiated in the same Committee, but in England and Wales conditions of service are negotiated in a separate Committee with no DES presence. This unsatisfactory negotiating machinery is a fundamental defect which any longer term solution will have to address. Meanwhile, Government is held by the public to be in some way responsible despite having little direct influence.

Options

6. Against this gloomy background, we identified four broad strategies. First, we could continue the present war of attrition and hope to turn public opinion more strongly against the teachers. Despite the decision of the reconstituted teachers' panel in England and Wales in favour of re-opening negotiations, the prospects of a settlement are uncertain. But if there is a settlement soon, it will be at an unreasonably high level and with no progress on conditions of service. Moreover, DES believe that any settlement for the current year will almost certainly be followed very soon by an unreasonable claim for 1986 and further disruption (although the Treasury have pointed out that this might have less serious effects



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if the new lunch time supervision arrangements are in place), with nothing achieved in pursuit of our objectives. So long as the unions have the weapon of cost-free disruption, there is only a limited amount the Government can do at present to defeat them. It seems unlikely that local authorities could be persuaded to take a robust line against any further disruptive action. Parents, who will become increasingly concerned (particularly if public examinations are hit), may increasingly blame the Government as well as the teachers if disruption restarts soon after a 1985 settlement. In Scotland, where the disruption has been much more serious since the start of the year, parents are already exceptionally concerned and hostile to the Government.

7. The second strategy would be to take the battle to the teachers. There are a number of ways we might do this, but a feature common to most is that central Government would need to assume a greater role in controlling the teaching force. Legislation would be required for any effective action. This would, of course, be bitterly contested, and could not produce any change for some time. In the meantime the current disruption would continue.

8. The third option would be for the Government to make some concession, either to offer more money beyond the £1.25 billion over 4 years offered last summer, or to remove the strings attached to that offer. This might obtain a settlement and remove the disruption, but at considerable cost with nothing in return. Since little or nothing would have been achieved in terms of better management and tighter contracts, the risk would be great of repercussions on other public sector groups, and so of a pay explosion in the run-up to the election.

9. The fourth option is some form of inquiry into pay, conditions, and the management of the teaching force. This is also a very high risk strategy. Such a wide ranging inquiry might produce a



CONFIDENTIAL AND PERSONAL

package of recommendations which would enable us to make considerable progress towards our educational objectives. But we would put at risk considerable sums of extra money - 1 per cent on teachers' pay is £56 million a year. We would also risk repercussions on pay increases for other public service groups for whom 1 per cent on pay totals some £225 million. It is unlikely that the unions would agree to any terms of reference which we might be prepared to offer, so that disruption might well continue. Nevertheless to announce an inquiry could give the Government the initiative and enable us to secure the support of parents and the public against the teachers.

Comment

10. None of these strategies is attractive, and all involve substantial risks. But we concluded that if we decided against maintaining our present stance, the fourth option, an inquiry, was the least unattractive way forward. It would be premature and indeed wrong to decide now to establish an inquiry, but we consider that the practical arrangements and possible terms of reference should be explored, so that if we did find it necessary to act quickly at some stage (most likely early in the New Year) we should have our lines clear.

11. Apart from the nurses, we have not previously ventured down this road. But our predecessors' experience - of Houghton, Clegg and others - shows that it carries great risks for public expenditure and of a pay explosion. We could reduce these by leaving pay levels out of the terms of reference, but the majority of my colleagues did not favour this. But we would need to ensure that an enquiry examined a wide range of issues, including pay and the machinery for determining it, conditions of service, and the effective management of the teaching force; and we would need to draft the terms of reference and choose the membership very much with a



CONFIDENTIAL AND PERSONAL

view to securing a robust result, but one which the public would see as fair and reasonable. In particular, the inquiry should be firmly directed to the unacceptable fact that present conditions of service and methods of management have enabled teachers to cause extensive disruption without cost to themselves.

12. We shall also need to consider whether any inquiry should examine the division of responsibility between central and local Government. Local authorities have abdicated their management responsibilities, and this will have to be addressed if we are to secure our objectives. But this does raise fundamental issues about the constitutional relationship between central and local Government, and we shall need to guard against the possibility that an enquiry might conflict with our views on future arrangements for local Government finance, where our current strategy for reform excludes central government taking on a more direct responsibility for education. We shall need to discuss this point.

Timing and Practicalities

13. We do not need to take a decision now. There is no case for acting before Christmas. But we might need to be ready to act early in the New Year, when we seem likely to face two possibilities: either a temporary peace, until the 1986 negotiations are under way; or, which DES think more likely, even if there is a settlement for the current year in England and Wales, an early resumption of disruption. (In Scotland there is no prospect of a 1985 settlement at present; the Scottish unions have declared a truce until 6 January - involving the cessation of focused strike action between now and Christmas - which they say is to allow the Secretary of State time to come up with a new initiative to solve the dispute, failing which worse disruption is threatened for early in the New Year.) Pressure on the Government to take action will increase after Christmas, particularly in Scotland when the new school term opens and the threat to the public examinations looms larger. We shall have to

over the
holidays



CONFIDENTIAL AND PERSONAL

reflect carefully at that stage whether an inquiry would be the right response as opposed to another course. There may be a period during which decisive action by the Government would attract considerable public support, and place maximum pressure on the teachers to acquiesce in whatever is proposed.

14. We would hope that if an inquiry were established it might report by July, covering both pay and wider issues. For this timing it would have to be set up very early in 1986. Although we might expect it to recommend tightening up of contracts and management, it might also recommend a higher pay settlement than we have been prepared to contemplate so far. We could even be faced with the possibility of having to reject (at least in part) the recommendations of our own inquiry. Even were the result acceptable to us, we might still face the need to impose the recommendations by legislation if (which must be possible) they proved unacceptable to either local authorities or to the teachers' unions. But at that point we should at least hope to have public opinion largely on our side: that indeed would be the point of holding an inquiry.

15. For both practical and presentational reasons it would be necessary to have separate inquiries for Scotland and for England and Wales. We have envisaged either three or five member inquiries, with the Chairman and Secretary being common north and south of the border in order to ensure proper co-ordination. The inquiries might also have one other member in common. I should add that, although the Secretary of State for Northern Ireland agrees with this analysis, he would not wish Northern Ireland to be included within the scope of any inquiry. However, if an inquiry were announced, he would make it clear that any agreed outcome would be applied within Northern Ireland where appropriate.



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Conclusion

16. We were asked to survey the options and not make recommendations at this stage. We have not been able to identify any strategy which could guarantee achievement of all the Government's objectives. None is without serious risks. But we believe that effectively the choice lies between firmly maintaining our present stance, while taking all steps possible to try to ensure that eventually we win the war of attrition; or setting up an inquiry, with a carefully timed announcement and carefully chosen terms of reference and membership.

17. I am sending copies of this to the other Members of MISC 122 and to Sir Robert Armstrong.

A handwritten signature in blue ink, appearing to be 'W. R.', written in a cursive style.

12 December 1985

010

SP

CONFIDENTIAL



CCB

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
Treasury
Parliament Street
London SW1P 3AG

12 December 1985

In Nigel,

TEACHERS PAY (ENGLAND AND WALES)

The Burnham Management Panel met yesterday. The employers took the view that they should respond to the teachers' willingness to hold informal discussions and a meeting has now been fixed for 17 December: one of my officials will be present. The employers repeated their October request for a Royal Commission or some other kind of independent inquiry into pay, structure, conditions and negotiating machinery; they also confirmed that their 6.9/7.5% offer stood unchanged with the only condition attached being an immediate end to disruption in schools. None present thought that the informal discussions were likely to be productive.

I met Mrs Harrison, the Management Panel's leader, today. She confirmed the wish to see some kind of independent inquiry and was pessimistic about resolution by any other means.

A meeting of the officers' study group which supports the employers in these matters was held this morning. I should report that there were clear signs of a wish to resurrect the employers' November 1984 package. That had weaknesses as regards differentiation, incentives and management of schools and was in any case described by me at the time to be out of reach financially. My officials pressed for continued support for the September 1985 package, which carried the unanimous endorsement of the management panel at that time and which was constructed to fit our £1250m 4-year conditional offer. But most of the Chief Education Officers present were better disposed towards the earlier employers' package and I fear that it will be publicly resurrected by the employers.

I am sending copies of this letter to the Prime Minister, the Lord President, Norman Tebbit, members of E(PSP), the Secretaries of State for Scotland, Wales and Northern Ireland and to Sir Robert Armstrong.

Ericson Keir





10 DOWNING STREET

ms

Prime Minister

I have now arranged
a meeting to discuss
the outcome of Lord
Whitelaw's work on teachers'
pay. (There is growing
speculation that the
Government is considering
an enquiry.)

DLW

9/12



10 DOWNING STREET

~~Carlisle~~ CR for CR's
vote.

The Chancellor is CR
coming to the meeting on
teachers' pay.

David.

It would depend on the terms of release. We could certainly do a deal up a minute and a half by the assessment.

Prime Minister

If this is your view, people ought to know before things go too far. Plans get a momentum of their own. Agree I may speak as amended?

3 December 1985

TEACHERS' PAY

DES 3/12

A bit overstated

The Ministerial group, headed by Lord Whitelaw, has now come down in favour of a public 'enquiry' into teachers' pay and conditions. Officials have been sent away to work up detailed proposals.

We continue to believe that this would be a gross error:

- there is little possibility of agreed terms of reference, so strikes will probably continue while the enquiry is sitting;
- the enquiry will provide a platform for union propaganda;
- the unions will not accept the enquiry's findings and will continue their strikes unless it gives them most of the £2 billion a year that they want.

In short, an enquiry will simply make the position worse. You would be planting a time-bomb, set to go off in the second half of 1986, when you will want to keep every penny for tax cuts.

It is dangerous even to allow DES to proceed with detailed work on the proposal, since this will almost inevitably leak, creating expectations and giving the unions new hope.

Surprisingly, Treasury opposition seems muted. If it was made clear that you were opposed, this would bolster the Treasury.

We recommend that you should ask David Norgrove to have a word with Lord Whitelaw's office, letting them know that you are [opposed to] an enquiry.

I suggest "very sceptical about". You ought to hear what the Committee have to say before you give a firm view.

OL

OLIVER LETWIN

PETER WARRY

Prime Minister ²

Teachers' Pay

Lord Whitelaw may raise this with you
in the margins of Cabinet. If appropriate,
I suggest you say:

(i) your instincts are against an
enquiry;

(ii) you would like to see the
report from his group before
commenting on two options.

That will be the time to put forward
the Policy Unit's proposals.

JDS
27/11

2
JEN
27/11
TEACHERS' PAY

Lord Whitelaw's group have been considering the best strategy to end the teachers' strike. There are three serious runners:

- i. an enquiry; (wet);
- ii. continuing the war of attrition; (less wet);
- iii. dispersing Burnham; (tough).

Enquiry

DES are wedded to an enquiry. They think this is the one way of achieving a settlement acceptable both to unions and Government. That is sloppy thinking. An enquiry will not solve anything:

either it will ask the teachers to change their minds with no more than the £1250m of Government money, which the unions will refuse to accept;

or it will ask the Government to spend yet more, which will put you in an even worse position than you are now.

An enquiry would in fact be positively dangerous. You would find yourself under pressure to make concessions simply to get the unions to agree the terms of reference - without bringing the strike any closer to a satisfactory end. And if no terms of reference were agreed, any finding against the unions would have no chance of being accepted.

War of Attrition

Attrition may work. The unions may crack when Burnham meet

in December with the NUT in a minority. And they may not be able to raise enough support for a repeat performance next year.

But, to win the struggle, you would need:

- yet more propaganda to win over the public (not just to 'inform the teachers');
- at least one local authority stimulated into testing teachers' contracts in the courts; (other authorities might follow if one gave the lead);
- vigorous implementation of the new mid-day supervision system (which takes away the unions' best weapon);
- more supply teachers to cover for absent colleagues while the strike lasts.

Your hand is strong, because the NUT cannot afford to escalate: they have only enough money to pay for a few days all-out strike.

Dispersing Burnham

The most exciting discovery made in the review is that Burnham can probably be broken up without primary legislation, though this of course needs to be checked with the Law Officers. (The detail in the official report to Lord Whitelaw makes the position clear, but the summary obscures it.)

The great advantage of dispersing Burnham is that, unlike all the other options, it might establish a new and far more sensible landscape for the future. Since each local authority (or group of authorities) would be able to negotiate on its own:

- a. teachers' pay would become much more obviously a local matter - the Government would get less of the flak;
- b. national disruptive action would be far more difficult to organise;
- c. opportunities for strike-breaking by individual authorities would increase dramatically;
- d. individual authorities might get local unions (often more reasonable than head offices) to agree to new pay and assessment structures - setting an example for others to follow;
- e. the massive pay settlements suitable for Reading being applied in Yorkshire would cease - something much closer to a genuine labour market would emerge, with far more sensitivity to local supply conditions and far fewer shortages in particular subjects.

True, this course would have dangers:

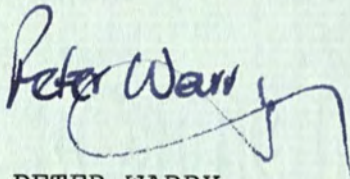
- it could provoke a (short) all-out strike; and
- it could lead to 'leap-frogging' by individual local authorities, with the first local settlement setting a base figure which each subsequent settlement would seek to outdo.

But neither of these dangers is overwhelming. An all-out strike could deliver a quick resolution. And any 'leap-frogging' would be contained by the financial pressures on local authorities.

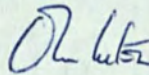
Conclusion

We recommend that you should:

- reject an enquiry absolutely, since it could only 'solve' the dispute by giving away more money;
- look for ways of increasing pressure on the teachers in a war of attrition;
- ask DES to report fully on methods of dispersing Burnham, and on the pros and cons of doing so.



PETER WARRY



OLIVER LETWIN



cc *α*

Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213 6460

Switchboard 01-213 3000

Michael Stark Esq
Private Secretary to
Sir Robert Armstrong
Cabinet Office
70 Whitehall
London SW1A 2AS

25th November 1985

Dear Michael,

NBA

MISC 122: TEACHER'S PAY

My Secretary of State has seen Sir Robert Armstrong's letter of 19 November to the Lord President. Lord Young would prefer the Paymaster General to represent the Department of Employment on this group, as he is already this Department's representative on E(PSP).

I am copying this letter to the Private Secretaries of the Prime Minister and those who are invited to be members of MISC 122.

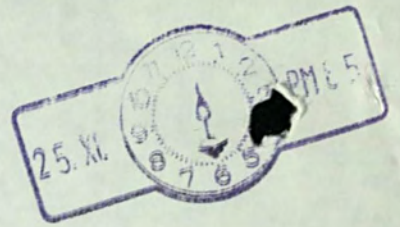
Yours sincerely,

Iain Mackinnon

IAIN MACKINNON
PRIVATE SECRETARY

EDUCATION PTS

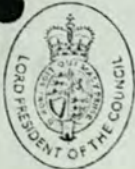
TEACHERS PAY



010

CONFIDENTIAL

CSG



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

20 November 1985

PK
NSPQ

CF
could I see x please?
att
DS
20/11

Dear Rob,

TEACHERS' PAY

As you know, an informal meeting was held on 14 November under the Lord President's chairmanship to take stock on teachers' pay, both in Scotland and in England and Wales. In addition to your Secretary of State, the Secretaries of State for Scotland and for Wales, the Lord Privy Seal, the Chancellor of the Duchy of Lancaster, the Chief Secretary to the Treasury, the Parliamentary Secretary to the Treasury, the Minister of State, Department of Education and Science (Mr Patten), and the Parliamentary Under Secretary of State, Welsh Office (Mr Roberts) were also present.

The meeting was not intended, and did not seek, to reach conclusions on how either of the disputes might be resolved. But anxiety was expressed about the effects of the dispute on children's education, on parents' perception of the Government's education policies, and on the morale and motivation of teachers. There seemed little scope for any early acceptable end to the disruption. It was noted that a key feature of the dispute was the teachers' ability to inflict damage at no cost to themselves. While this was a matter essentially for education authorities, it was to be hoped some of the more robust among them might seek ways of ending that situation.

Proposals for an enquiry or enquiries were not thought worth pursuing, for a variety of reasons including the uncertainty of the outcome and the associated practical difficulties. There were particular arguments against going down this road in Scotland.

The discussion was thought by those present to have been helpful and it was agreed that the Prime Minister's view should be sought on the value of establishing a group to monitor the situation. The matter was subsequently raised in Cabinet on 14 ~~December~~ and is being taken forward through Sir Robert Armstrong's minute of 19 November.

X NOV. 1

R L Smith Esq
Private Secretary to the
Secretary of State for Education and Science

CONFIDENTIAL

I am sending a copy of this letter to the Private Secretaries to the Prime Minister, the Secretaries of State for Scotland, Wales, Northern Ireland, Employment, and the Environment, the Lord Privy Seal, the Chancellor of the Duchy of Lancaster, the Chief Secretary to the Treasury, the Parliamentary Secretary to the Treasury, the Minister of State, Department of Education and Science (Mr Patten), the Parliamentary Under Secretary of State, Welsh Office (Mr Roberts), to Brian Unwin in the Cabinet Office and to Michael Stark in Sir Robert Armstrong's office.

Yours sincerely

Joan.

JOAN MACNAUGHTON
Private Secretary



70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A085/2965

LORD PRESIDENT OF THE COUNCIL

Teachers' Pay

Following discussion at Cabinet on 14 November, the Prime Minister has asked that you should chair a group of Ministers to review the situation created by the teachers' pay disputes in England and Wales, and Scotland, and to consider how the Government might react to that situation as it develops.

2. The Prime Minister proposes that the other members of the Group should be:

Secretary of State for Education and Science	
Secretary of State for Scotland)
Secretary of State for Wales)
Secretary of State for Northern Ireland)
Secretary of State for the Environment)
Lord Privy Seal)
Chief Secretary, Treasury)
Secretary of State for Employment)
Chancellor of the Duchy of Lancaster)
Chief Whip)

As Education Ministers

3. The Cabinet Office will provide a Secretariat, and will arrange for the establishment of an official group to support the work of your group, and to prepare the necessary papers.

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4. The Prime Minister has asked that a first report should be made by 6 December 1985.

5. Copies of this minute go to all those listed in paragraph 2 and I would be grateful if they could confirm that they would be content to be members of the Group.

Ms
(for Sir Robert Armstrong)

19 November 1985

CONFIDENTIAL



Prime Minister

~~CEB~~

MR NORGROVE

cc Mr Stark
Mr Unwin

TEACHERS' PAY

I suggested that
R. Wiggins should write
this week. There is just
a possibility of an attempt
at a bounce at Cabinet
tomorrow. *DFW*
13/11

I understand that the Education and Scottish Secretaries are becoming increasingly concerned about the situation on teachers' pay, and have begun to take soundings of the Chancellor of the Exchequer and other colleagues on possible moves to break the deadlock. It does not appear that they are yet ready with any clear and specific propositions, and if there were to be any suggestion at Cabinet on 14 November of a major initiative by the Government, it would surely be essential that no decision should be taken until the Ministers concerned had had an opportunity to study a fully considered paper.

this is essential.

There are obvious objections to all the options so far identified;

- i. allow the present situation, which is increasingly disruptive to the education process and which the teachers have shown can be sustained indefinitely, to drag on through the rest of the present academic year and beyond;
- ii. increase the resources available to the Local Education Authorities for a settlement of the current dispute;
- iii. withdraw the conditions attached to the Government's offer of additional funds over four years, so abandoning moves to tightenteacher discipline and to improve the management of the teaching force;
- iv. nationalise primary and secondary education, so giving the government a fully effective means of intervening in the problem;
- v. remove all central controls, and leaving the situation to individual OEAs to sort out;



vi. institute some sort of enquiry into teachers' pay and conditions.
 (This would mean effectively conceding the demand which the main scottish union has been pressing for more than a year.)

It appears that Mr Younger considers his political position increasingly untenable, as the prospect increases that none of this year's school leavers will be able to take any public examinations. Despite the reservations of many individual teachers about the situation, and despite the sympathy of a good many of them for the government's objectives in terms of discipline, management and career structure, the general sourness in the profession has enabled the NUT and the NAS in England and Wales, and the EIS in Scotland, to maintain the momentum of the disruptive action despite pay offers which most other workers in the public services sector would be glad to receive.

If the subject is raised at Cabinet on 14 November, the Prime Minister may wish to hear some brief account of her colleagues' assessment of the political implications of the continuing dispute. But there would be no point in any extended discussion in advance of the presentation of a full paper describing the options open to the Government to increase the costs of the dispute to the teachers, to attract public support against the stand the NUT, NAS and EIS have taken, or otherwise to break the present stale-mate.

There is no call for a paper of this kind at this stage - unless a discussion tomorrow were to show a strong consensus in favour.

JW
 A J WIGGINS

Cabinet Office

13 November 1985

NBPN.

PRIME MINISTER

13 November 1985

TEACHERS' PAY

Keith Joseph and George Younger are seeing the Chancellor late tonight. They may be cooking up a scheme to resolve the teachers' pay dispute, and may launch it at Cabinet tomorrow. We have no idea what form any new proposals might take but some general lessons can be drawn from the history of the dispute so far.

1. Government should not wave its cheque book before the other side have made a bid. If the teachers and employers had worked up their own restructuring proposals first, £1,250m would have seemed generous and might have been accepted. Offering the money in advance merely inflated expectations, without bringing a settlement any nearer.
2. An offer made at the wrong time is better not made at all. Pressure rises as milestones approach, eg start of new term or year, end of term, Christmas. An offer in the middle of November would be almost as bad as the offer in the middle of the summer holidays.
3. The Government should not put itself in retreat just at a time when a settlement is possible. At their meeting on Monday the teachers' unions were split 14/14 on negotiating on the existing one year offer. NATFHE, who lose their single vote in three weeks time, sided with the NUT. Come December the NUT should be outgunned.
4. Mid-day supervision should be given time to bite. Cost-free disruption will be much harder.

Conclusion

Any new initiative - whether an enquiry or just more money - should be avoided at this stage. - Energies should be devoted to promoting our case, and to ensuring that local authorities speedily provide mid-day supervision.

Peter Warry
PETER WARRY

Oliver Letwin
OLIVER LETWIN



fer

10 DOWNING STREET

From the Private Secretary

7 November 1985

This is just to confirm that the Prime Minister was content with the text of the Parliamentary Answer proposed by your Secretary of State on midday supervision.

(TIM FLESHER)

R.L. Smith, Esq.,
Department of Education and Science

ls

010

SP



cc

DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH
TELEPHONE 01-934 9000
FROM THE SECRETARY OF STATE

Pamie Minister!
The text looks
OK to me. Content?
DLS
6/11

Private Secretary of the Prime Minister
No 10 Downing Street
LONDON SW1

6 November 1985

Dear David,

Yes no

My Secretary of State would like to make an announcement to the House as soon as possible about his proposals for midday supervision, including plans for primary legislation.

I enclose the text of an inspired Parliamentary Question which he would like to arrange for answer on Friday, 8 November. He would therefore be grateful for any comments from colleagues by midday on Thursday 7 November.

I am copying this letter to private secretaries to members of E(PSP), the Secretaries of State for Scotland and Northern Ireland, the Lord President of the Council, the Leader of the House, the Chief Whip and Sir Robert Armstrong. My Secretary of State is writing separately to the Secretary of State for Wales since the statement will cover England and Wales.

Yours sincerely

Rob Smith

R L SMITH
Private Secretary

DRAFT ARRANGED PQ ON MIDDAY SUPERVISION

Q: To ask the Secretary of State for Education and Science, if he will make a statement about his plans to make available additional resources for the supervision of schools at midday.

Sir Keith Joseph

Nine out of ten teachers are now refusing to supervise at midday, a duty which they deem to be voluntary, and very few schools are unaffected by the disruption. That disruption hits directly at parents and their children and is virtually cost-free to teachers. I have previously made clear to the House the Government's willingness to set aside extra money from within the envelope of £1250m conditionally available for a new pay structure to help the employers with the cost of supervising pupils at midday. The Government has now decided that additional resources should be made available to support expenditure of up to £10m in this financial year and £40m in 1986-87 on new arrangements for midday supervision in England and Wales. Our purpose in making this new money available is to put local education authorities in a position to secure and pay for effective supervision at midday so that schools can continue without disruption.

To that end my right honourable Friend the Secretary of State for Wales and I intend to lay before the House amending regulations which will enable us to use our powers under the Education (Grants and Awards) Act 1984 to pay Education Support Grants (ESGs) in respect of approved expenditure by local education authorities on provision for the supervision of school pupils at midday. My right honourable Friends, the Secretaries of State for the Environment and for Wales will be willing to consider sympathetically representations from authorities seeking disregards of additional expenditure in 1985-86 approved for ESG for the purposes of calculating the abatement of Block Grant.

The 1984 Act provides that expenditure approved for ESG should not exceed 0.5% of total planned expenditure on education by authorities. In 1985-86 expenditure already approved for ESG

and planned support for midday supervision will not exceed that figure, but the addition of £40m to the programmes already approved for 1986-87 would cause it to be exceeded next year. The Government therefore intends to introduce a Bill to raise the limit to 1%. We also intend however, pending the outcome of the present review of local government finance, to exercise discretion to keep expenditure approved for ESG in respect of activities other than midday supervision within 0.5% of the planned total.

We shall consult with representatives of the local education authorities as a matter of urgency on the details of the new arrangements. I hope that they will be willing to take action swiftly in the interests of pupils and their parents.



CSB

WSPM

✓

PRIME MINISTER

MIDDAY SUPERVISION

I have seen Keith Joseph's minute of 21 October to you in which he seeks agreement in principle to the immediate introduction of a short Bill to enable DES to proceed by way of specific grant. I have no objection to this course of action.

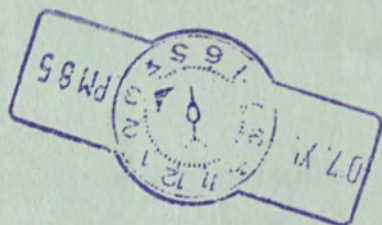
The problem of ensuring that additional money made available to pay for the proposed supervision arrangements should be directed in such a way that it could only be spent for its intended purpose will not arise in Northern Ireland. The financial procedures of the Department of Education for Northern Ireland enable it to so direct resources.

There will of course be financial implications for DENI should the proposed midday supervision scheme, or something similar, be introduced in Northern Ireland.

I am sending copies of this minute to members of E(PSP), Willie Whitelaw, George Younger, Nick Edwards, John Biffen, John Wakeham and to Sir Robert Armstrong.

5 November 1985

Education, Teachers Pay Pt 5.



20

CC BG



CONFIDENTIAL

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

5 November 1985

Dear Ian,

NRAM

MID-DAY SUPERVISION

I am writing to confirm our telephone conversation last night, that my Secretary of State is content with the proposals set out in your Secretary of State's minute of 4 November for the Prime Minister, and with the terms of the draft announcement annexed to that minute.

He has asked me to say, however, that this is on the understanding that the aggregate of Exchequer grants for 1985-86 and 1986-87 will in due course be increased by the full amount of the proposed increase in Education Support Grants. He remains of the view, too, that there would be a strong case for a disregard for the balance of additional expenditure under the new arrangements for 1985-86. Neither of these points need be referred to in the announcement, but since the Associations will no doubt be quick to raise them he would be grateful for very early confirmation that the Chief Secretary is content.

I am copying this letter to David Norgrove and to the Private Secretaries of the other recipients of your Secretary of State's minute.

Yours sincerely,

Robin Young

ROBIN YOUNG
Private Secretary

Iona Hughes : DES

CONFIDENTIAL



file L03A0C
a Prof Griffiths

10 DOWNING STREET

From the Private Secretary

5 November 1985

MID-DAY SUPERVISION

The Prime Minister was, as I told you, content that your Secretary of State should proceed as proposed in his minute of 4 November, and that he might announce the Government's decision to the Annual Conference of the ACC.

The Prime Minister expressed concern about the administrative burden which would be involved in vetting each local authority's proposals on payment of money for mid-day supervision. She has suggested that it would be worth considering whether District Auditors should have imposed upon them the duty of certifying that the money for mid-day supervision had been spent for its intended purpose.

I am copying this letter to Private Secretaries to the members of E(PSP), Joan MacNaughton (Lord President's Office), David Morris (Lord Privy Seal's Office), Murdo Maclean (Chief Whip's Office), John Graham (Scottish Office), Colin Williams (Welsh Office), Jim Daniell (Northern Ireland Office) and Michael Stark (Cabinet Office).

DAVID NORGROVE

Rob Smith, Esq.,
Department of Education and Science.

CONFIDENTIAL

CLB

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

5 November 1985

Dear Keith,

MID-DAY SUPERVISION

I have seen your minute of today's date to the Prime Minister and her Private Secretary's letter of 1 November.

I have no objections to your present proposals or to the text of your proposed announcement to the ACC.

As far as the Bill which you propose in your minute of 21 October is concerned, I agree that we must proceed as quickly as possible with the very limited amendment which you propose. I would, however, be opposed to adding anything other than the bare minimum to the Bill. On the basis of your original proposal, it seems likely that the Bill would be a Money Bill and as such would secure very rapid progress through the House of Lords. The addition of other provisions, for example, a duty on Local Authorities to provide for Mid-day Supervision would prevent this and complicate the handling of the Bill. As you point out in your latest minute, the addition of this new provision would in itself be controversial and would be bound to take up further time.

Subject therefore to the Bill containing only the minimum of provisions, I think that we could secure early Royal Assent, despite the very heavy load of legislation which already faces us.

I am sending a copy of this letter to the Prime Minister, members of E(PSP), Secretaries of State for Scotland, Wales and Northern Ireland, the Lord President, the Chief Whip and to Sir Robert Armstrong.

JOHN BIFFEN

Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education and Science

EDUCATION
TEACHERS PAY

PTS



cc BG

CONFIDENTIAL

PRIME MINISTER

Discussed with the Prime Minister 4/11,
Approval to DBS telephoned, Pa now.
DBS 4/11

Midday Supervision

FILE WITH MEA

1. I am grateful for your general welcome for my proposals on midday supervision set out in my minute of 21 October and for the helpful comments of colleagues.
2. Subject to the views of colleagues I would like to make an initial announcement tomorrow when I am due to speak at the annual conference of the ACC. It will be welcome news to this local government audience and there are strong political and presentational reasons for being seen to act quickly and decisively. I would follow the announcement with a Parliamentary written answer later in the week announcing the legislation in the coming session. A draft announcement is attached. I shall need to have the agreement of colleagues by close of play today.
3. I have looked again at the possibility of acting in 1985-86. Time is short to get a scheme mounted soon enough to affect the spring term but I believe that, if we were to offer extra financial help up to a maximum of £10m in 1985-86 within this year's Education Support Grant, we shall achieve some worthwhile results. I therefore propose to proceed with the necessary Regulations.
4. There are two other points raised by colleagues. First, there is Nigel Lawson's suggestion of imposing a new statutory duty on local authorities in respect of midday supervision. I doubt the advantage or the need for such a step. Local authorities' present statutory obligations already put them under a duty to make adequate arrangements for the supervision of pupils. If we were to impose a new duty, local government would strenuously oppose us - indeed the local authority associations have already told us that such a duty might further hinder efforts to end disruption - and we should significantly reduce local government's

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good will and support for our objectives and complicate an otherwise uncontroversial Bill which we need to pass quickly. Although the local authority associations have in the past objected to new specific grants, all the evidence suggests that in this case they are enthusiastic about making changes in midday supervision arrangements and, given the assurance of new money, will cooperate with us in a specific grant for this purpose. There are no grounds for thinking that, beyond perhaps a few ritual noises, they would resist the legislation that I propose. Finally, it seems clear that many LEAs will be ready to act anyway, particularly those under Labour control: NUT pressure is more than nullified by the desire of non-teacher unions to see new arrangements which offer their members the prospect of more jobs.

5. Second, I see merit in adopting Kenneth Baker's suggestion to combine the new legislation with a public commitment that, pending the outcome of the Government's review of specific grants I would not allow the amount of education expenditure attracting ESG support, other than that on midday supervision to rise beyond the present 0.5% ceiling. It will offer further positive reassurance to local government and will help to facilitate the rapid passage of the Bill. I shall offer such a commitment either on introduction or at second reading of the new Bill. We shall of course need to return to the general issue of specific grants for education in the light of our review of specific grants and reactions to Kenneth Baker's Green Paper.

6. I am sending a copy of this minute to the members of (E(PSP), to Willie Whitelaw, John Biffen, John Wakeham, George Younger, Nicholas Edwards, Tom King and to Sir Robert Armstrong.

KJ.

CONFIDENTIAL

4 November 1985

KJ

Department of Education
and Science

CONFIDENTIAL

Draft Announcement of Midday-Supervision

1. Earlier this month I announced that the Government would be ready to make available additional resources for midday supervision of schools on condition that the money would be used for and achieve its intended purpose. Nine out of ten teachers are now refusing to supervise at lunch-time, a duty which they deem to be voluntary, and very few schools are unaffected by the disruption. That disruption hits directly at parents and their children and is virtually cost-free to the teachers. It puts intense stress on Heads. Our purpose is to put LEAs in a position to secure and pay for effective alternative supervision on a permanent basis. The extra resources would come from within the £1250m conditionally available from 1986-87 for a reform of the pay structure and teachers' conditions of service.

2. I have already had a first discussion of this initiative with your representatives and those of the AMA. They responded positively. They told me that LEAs are ready to act and to act quickly. I know that a few are already planning to introduce the new midday supervision arrangements that do not depend upon teacher cooperation but pay for separate midday supervisors under separate contracts. It is clear that on this matter there is broad agreement between us on the action now required. I therefore intend to make available additional resources to support expenditure of upto £10m in this financial year and £40m in 1986-87 on new arrangements to enable LEAs to keep their schools supervised in spite of teachers' attitudes.

3. For 1985-86 the additional money will be made available through Education Support Grants, subject to Parliamentary approval for the necessary Regulations. I shall be consulting the associations as a matter of urgency to work out the details. For 1986-87 and subsequently the Government is considering how best to proceed and I hope shortly to announce our conclusions. We need to work out acceptable arrangements which can have an early impact on the schools. With the

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assurance of new money that I have announced today I hope that LEAs will not delay but move swiftly to take action in the interests of pupils and their parents.

EDUCATION
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MR NORNGROVE

4 November 1985

MID-DAY SUPERVISION

We agree that Keith Joseph should proceed with his announcement tomorrow. It would have been nice had he also agreed to include the statutory duty on local authorities to make such arrangements, but his announcement does not close off this option if the subsequent reaction from local authorities demonstrates that it is necessary.

OL

OLIVER LETWIN

Peter Warry

PETER WARRY

SP



Ref. SSPS/4156/0012

cebg

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

David Norgrove Esq
Private Secretary
10 Downing Street
LONDON SW1

4 November 1985

Dear David,

Thank you for your letter of 30 October enclosing this one from Mr Doug McAvoy of the National Union of Teachers seeking a meeting with the Prime Minister and my Secretary of State during the union's planned lobby of Parliament on 7 November.

Our advice is that the Prime Minister should decline, noting that the Secretary of State for Education and Science, as the Government Minister responsible for teachers' pay in England and Wales, is willing to make himself available to receive a deputation. You will note however that the NUT proposal is for a deputation including representatives of the Educational Institute of Scotland. We have been in touch with the Scottish Office and they agree that Allan Stewart should be present; they will not know whether their Secretary of State will attend until his return from Japan on 5 November.

This response would be on all fours with the Prime Minister's refusal in September to receive a deputation from the management panel (her letter to Mr Pearman of 26 September).

A draft reply for the Prime Minister's use is attached.

Yours ever,

I M HUGHES
Private Secretary

~~DRAFT~~ LETTER FOR THE PRIME MINISTER TO SEND TO MR DOUG McAVOY
OF THE NATIONAL UNION OF TEACHERS

You wrote to me on 29 October asking me to meet the officers of your Union and senior representatives of the Educational Institute of Scotland on Thursday, 7 November.

It is not clear to me what ^{purpose would be served} ~~advantage would be gained~~ by our meeting at this stage. Your Union's views are well known to me and they have been communicated direct to me by some of your members in my constituency. I think it would be more appropriate for the meeting you seek to be with the Secretary of State for Education and Science. I know that he is ready to make himself available to meet a deputation. As you are to be accompanied by senior representatives from the Educational Institute of Scotland, he will be joined at the meeting by a Minister from the Scottish Office.

~~DM~~

~~B~~

DM

252APU

EDUCATION

TEACHERS
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Baxendale

File.
Draft reply

SOS stands ready, as he has throughout, to meet representatives of the teachers' unions and that he is willing to make himself available to receive a small deputation.

Draft reply to NU? letter.

ELBARG

E(PSP):
DTI DOE
DHSS CS, HMT
DTp
P.Gen
M/S, PCO
HMT
HO
DEN
CDLO



10 DOWNING STREET

1 November 1985

From the Private Secretary

MID-DAY SUPERVISION

The Prime Minister was grateful for your Secretary of State's minute of 21 October about mid-day supervision. She has also seen the correspondence which followed.

The Prime Minister agrees to the introduction of a very short Bill to enable your Secretary of State to proceed by way of specific grant. She understands that the business managers do not oppose this. You will wish to discuss the next steps with the Cabinet Office and others as appropriate.

On other matters raised in the correspondence, the Prime Minister agrees with Mr. Baker that it would be right, pending the review of specific grants, to give assurance that the legislation will not be used as a means of raising specific grants for other education spending. She is inclined to think that the best option is for Sir Keith Joseph to promise that expenditure on specific grants other than on mid-day supervision will remain within the present statutory limit. (A statement of this kind would of course need to be worded carefully to avoid compromising the review.) The Prime Minister agrees with the Chancellor that it would be helpful if a start could be made before next April, using leeway within this year's Education Support Grant. She also thinks it could well be right to impose a statutory duty on local education authorities to provide mid-day supervision.

You will no doubt wish now to consider these points urgently with Treasury and DOE. The Prime Minister believes however that with the changes in the Burnham panel the tactics point towards an early announcement of the Government's decision, even if all the details have not by then been settled.

I am sending copies of this letter to the Private Secretaries to members of E(PSP), the Secretaries of State for Scotland, Wales and Northern Ireland, the Lord President, the Leader of the House and the Chief Whip and to Sir Robert Armstrong.

(David Norgrove)

Rob Smith, Esq.,
Department of Education and Science.

JK

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PRIME MINISTER

MID-DAY SUPERVISION

As the Policy Unit minute below says, there is general support for the proposal to pay for mid-day supervision by means of a specific grant, DOE have doubts about this, but are willing to go along with it. I understand that the Business Managers will not stand in the way of the necessary legislation.

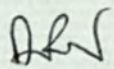
There are some points of disagreement between departments on detail, and the Policy Unit minute recommends that you should propose particular solutions to them. I agree with them, but there is more work to be done, and I suggest that at this stage you should not issue firm decisions.

Agree:

i. Sir Keith Joseph's proposal for a specific grant for mid-day supervision.

ii. you are inclined to the proposals listed on the second page of the Policy Unit note.

iii. the tactics point towards an early announcement of the decision, even if the details have not at that stage been settled?


(David Norgrove)
31 October, 1985

RAMADB

CONFIDENTIAL

MID-DAY SUPERVISION

There is general support for Keith Joseph's proposal to fund mid-day supervision via a legislative increase in next year's Education Support Grant (ie the specific grant run by DES).

The advantages are clear:

- head teachers, who have had an appalling time, will be relieved;
- there will be less risk of a child being run over by a bus on a dark winter day when his school refuses to offer lunch;
- the Government will be seen to be taking a constructive and conciliatory step.

There is some danger that:

- local authorities will regard this as another 'centralising' move;
- far-left authorities will be driven off using the money by the NUT;

- many authorities will delay until the legislation is through and they are sure the money is on the way.

To counter these dangers you could:

1. Ensure, as Kenneth Baker suggest, that the legislation is not used as a means of raising specific grants for other education spending. The best option is for Keith to promise that - pending the review of specific grants - expenditure other than on mid-day supervision will remain within the present statutory limit (0.5% of the RSG).

Because the LA's

2. Ensure that, as the Chancellor suggests:
- local authorities are given a duty to provide lunch-time supervision;
 - the unused money from this year's Education Support Grant is used to make local education authorities start mid-day supervision programmes immediately.

We recommend that you should ask Keith to press ahead with the scheme, so long as it is amended in these ways.

Oliver Letwin
OLIVER LETWIN

Peter Warr
PETER WARRY



CBG
BLF with
Or comments per

PRIME MINISTER

MIDDAY SUPERVISION

I have seen a copy of Keith Joseph's minute to you of 21 October, and of Nigel Lawson's of 25 October.

He is proposing a new specific grant to enable education authorities to make alternative arrangements for lunch-time supervision.

I am generally opposed, certainly within the existing framework of local government finance, to the growth of specific grants. The overt encouragement they provide to increased spending on particular items is demonstrably at odds with our declared aim of restraining local authority expenditure in aggregate, and is bound to distort authorities' decisions on priorities. New specific grants are anathema to the local authority Associations. But if it is accepted that it is absolutely essential both to offer the authorities additional provision for lunch-time supervision, and to ensure that the extra resources are used for that purpose alone, I would not want to stand in Keith's way.

I have however one reservation. Keith proposes a permanent increase in the ceiling on the amount of expenditure qualifying for education support grants (ESGs) from 0.5 per cent to 1 per cent of planned local authority education spending in each year. This would mean that, once the grant for lunch-time supervision was discontinued, the scope for providing specific support for other new educational initiatives would be twice what we had originally intended. Meanwhile, one cannot yet be entirely confident that education authorities will generally be able to negotiate satisfactory alternative supervision arrangements. To the extent that they do not, the headroom for ESG for other activities would effectively be increased. For the reasons I have given, this would seem to me a highly undesirable outcome.



I would much prefer it, therefore, if Keith were to provide in his Bill not for a permanent increase in the ceiling but rather for a power to raise it by order for any year to a level of between 0.5 and 1 per cent. The amount of any such increase would be a matter for collective decision each year. An alternative, if for any reason that suggestion were thought to be impracticable or undesirable, would be for him to give a public assurance that, at least pending the outcome of our specific grant review, whatever the level of expenditure on lunch-time supervision attracting ESG support in any year, he would not allow the amount of other educational expenditure qualifying for ESG to rise beyond 0.5 per cent.

On Nigel Lawson's minute, I would not want to rule out a start on the new arrangements, using the head-room within the existing ceiling on Education Support Grants in 1985-86, if Keith considered that to be possible administratively. It would of course be necessary for the aggregate of Exchequer grants to be increased accordingly: there could be no question of a reduction in the amount of block grant for the year. There would be a strong case, too, for the additional expenditure, net of specific grant, to be 'disregarded' for purposes of targets and holdback: otherwise, authorities would be penalised as a result of the unexpected imposition of a new spending requirement later on in the financial year. I do not however like Nigel's idea of imposing a new statutory duty on authorities. It is not clear to me what such a duty would entail, and there is a risk that it would be taken to imply a need for more elaborate and expensive arrangements than Keith has in mind. If we give the authorities the opportunity to establish new schemes, and the resources to go with this, they will be clearly accountable to their local electorate for any failure to take it up.

Copies of this minute go to the recipients of Keith's.

Rhys Jones

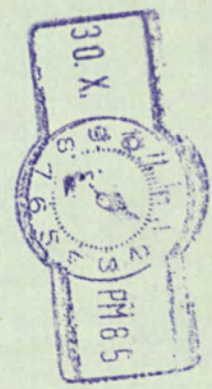
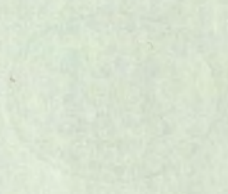
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K B

30 October 1985

(Approved by the Secretary of State in draft.)

EDUCATION : Teachers Pay Pt 5.





lte
no ack sent

10 DOWNING STREET

From the Private Secretary

30 October 1985

I attach a copy of a letter the Prime Minister has received from the National Union of Teachers.

U Please could you let me have urgent advice on this.

DAVID NORGROVE

Rob Smith, Esq.,
Department of Education and Science

ccok



SWYDDFA GYMREIG
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-233 3000 (Switsfwrdd)
01-233 (Llinell Union)
6106
Oddi wrth Ysgrifennydd Gwladol Cymru

WELSH OFFICE
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-233 3000 (Switchboard)
01-233 6106 (Direct Line)
From The Secretary of State for Wales

The Rt Hon Nicholas Edwards MP

29th October 1985

Dr Keith

MIDDAY SUPERVISION

Thank you for the copy of your minute of 21 October to the Prime Minister. I agree the principle of extending the use of Education Support Grants (ESGs) as a means of introducing new arrangements for midday supervision in schools.

The small scale of my separate ESG programme makes it imperative that I secure enough of the new money to ensure allocations to LEAs in Wales are sufficient to achieve the Government's objective. Using the illustrative costing in the note attached to your minute this could be some £3m or 7-8% of the total of £40m but the precise figure will need to be determined when the final England and Wales total has been agreed. I will be consulting the local authority bodies in Wales on the details of the scheme.

X |

I am copying this letter to the Prime Minister, Willie Whitelaw, members of E(PSP), George Younger, Tom King, John Biffen, John Wakeham, and to Sir Robert Armstrong.

over
New

Note for the Record
- Spoke to Welsh Office
to confirm that they
will be doing nothing
(x above) until the
scheme is agreed.

DRS
29/10

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education and Science

EDUCATION TEACHERS PAY PT 5

Education
Teachers Pay
Part 5





10 DOWNING STREET

DRN

1. Midday Supervision.

DOE are going to comment soon - they are going to oppose Keith Joseph's suggestion. They cannot say when exactly we will receive their comments.

2. Tin Agreement.

All departments have been informed that if they are going to object to submission we must have objections by C.O.P. tonight.

Annande

28.10.85



cc: ceo
To await
DoE comments.
B/F
DLN
24/10

Treasury Chambers, Parliament Street, SW1P 3AG
 01-233 3000

PRIME MINISTER

MIDDAY SUPERVISION

I broadly agree with the proposals Keith Joseph makes about additional resources for midday supervision in his minute of 21 October, but there are two additional points that I think should be considered.

First, it would be helpful if a start could be made on schemes before next April. Some authorities are already planning to introduce schemes from the start of next term but we should encourage more to do so. There is some leeway within this year's $\frac{1}{2}$ per cent ceiling on Education Support Grants and I would be prepared to consider any request that Keith might make to support £10m to £15m expenditure on midday supervision payments in this financial year.

Second, despite what is said in paragraph 10 of the note by officials, I think that we should look more closely at the case for imposing a statutory duty on local education authorities to provide midday supervision. Unless we do so some Labour controlled local authorities, under pressure from the teachers' unions, may not bother to establish schemes and we will not achieve our objective of depriving the unions of this particular form of disruptive activity.

I am copying this minute to E(PSP) members, the Secretaries of State for Scotland, Wales and Northern Ireland, the Lord President of the Council, the Leader of the House, the Chief Whip and Sir Robert Armstrong.

N.L.

N.L.

25 October 1985

EDUCATION
TEACHER'S
PAY
PTS





CONFIDENTIAL

cc/OL

CABINET OFFICE,
WHITEHALL, LONDON SW1A 2AS

Chancellor of the Duchy of Lancaster

Tel No: 233 3299
7471

22 October 1985

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education and
Science
Elizabeth House
York Road
LONDON
SE1 7PH

W
23/10

D Keith

MIDDAY SUPERVISION

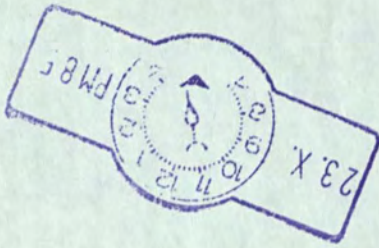
Thank you for the copy of your minute of 21 October to the Prime Minister.

I am sure that you are right to conclude that specific grant powers are required. I would, therefore, agree that you should introduce a Bill to provide the necessary powers.

I am copying this letter to the Prime Minister, Willie Whitelaw, members of E(PSP), George Younger, Nick Edwards, Tom King, John Biffen, John Wakeham, and to Sir Robert Armstrong.

NORMAN TEBBIT

Education: Teachers Pay PE 5





Tim Flesher Esq
Private Secretary
10 Downing Street
LONDON

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

21 October 1985

Dear Tim

TEACHERS' DISPUTE

I attach a draft of the statement which my Secretary of State intends making tomorrow afternoon about the teachers' dispute in Scotland and would be grateful for your clearance.

I am sending copies of this letter to David Morris (Lord Privy Seal's Office), Murdo Maclean (Chief Whip's Office), Michael Stark (Cabinet Office), Joan McNaughton (Lord President's Office), Rob Smith (Department of Education and Science), Richard Broadbent (Chief Secretary's Office), David Beamish (Lords' Chief Whip's Office) and Bernard Ingham.

ANDY RINNING
Private Secretary

STATEMENT BY THE SECRETARY OF STATE FOR SCOTLAND

TUESDAY 22 OCTOBER 1985
HOUSE OF COMMONS

TEACHERS' DISPUTE

WITH PERMISSION, MR SPEAKER, I SHOULD LIKE TO MAKE A STATEMENT ABOUT THE TEACHERS' DISPUTE IN SCOTLAND, AND IN PARTICULAR THE REPORT LAST WEEK OF THE EDUCATIONAL INSTITUTE OF SCOTLAND'S BALLOT.

IN JULY THE MANAGEMENT SIDE OF THE SJNC (SCHOOL EDUCATION) SUBMITTED PROPOSALS TO ME INVOLVING A SUBSTANTIAL REDEFINITION OF TEACHERS' CONDITIONS OF SERVICE AND THE RESTRUCTURING OF PAY SCALES. IN EARLY AUGUST I TOLD THE MANAGEMENT SIDE IN REPLY THAT IF A PACKAGE ON THESE LINES COULD BE NEGOTIATED WITHIN THE SJNC, I WOULD BE PREPARED TO MAKE ADDITIONAL RESOURCES AVAILABLE, ON A SCALE BUILDING UP TO 10% OF THE PRESENT SALARY BILL, OVER A PERIOD OF 4 YEARS BEGINNING IN 1986/87. THIS WOULD BE OVER AND ABOVE THE NORMAL ANNUAL PAY NEGOTIATIONS AND WOULD ADD AN EXTRA £125M TO TEACHERS' SALARIES OVER 4 YEARS.

THE MANAGEMENT SIDE THEN PUT AN ABBREVIATED FORM OF THEIR PROPOSALS TO THE TEACHERS' SIDE AND ASKED THEM TO CONSIDER IT AS A BASIS FOR A SETTLEMENT SHOULD FUNDING ADDITIONAL TO WHAT I HAD OFFERED BE MADE AVAILABLE.

THE TEACHERS' SIDE REPLIED THAT THEY SAW THIS AS A NON-OFFER AND PRONOUNCED CERTAIN ASPECTS TOTALLY UNACCEPTABLE. THEY REFUSED TO FALL IN WITH THE MANAGEMENT SIDE'S PROPOSAL OF A JOINT APPROACH TO THE GOVERNMENT FOR ADDITIONAL FUNDING FOR THE MANAGEMENT SIDE PROPOSALS; AND INDICATED THAT THEY WOULD REJECT ANY PROPOSAL WHICH WOULD LEAD TO DETERIORATION IN THE CONDITIONS OF SERVICE OF TEACHERS.

IN A FURTHER ATTEMPT TO FIND A WAY FORWARD I INVITED REPRESENTATIVES OF THE TEACHERS' SIDE TO MEET ME ON 27 SEPTEMBER. IT WAS SUGGESTED AT THAT MEETING THAT, PROVIDED SUBSTANTIALLY MORE MONEY WERE OFFERED WITHOUT PRE-CONDITIONS, THE TEACHERS WOULD BE PREPARED SUBSEQUENTLY TO DISCUSS CONDITIONS OF SERVICE AND CURRICULAR DEVELOPMENT. MY OFFICIALS HAVE EXPLORED ASPECTS OF THE PROPOSALS WITH REPRESENTATIVES OF THE TEACHERS' SIDE TO SEE IF A BASIS COULD BE FOUND FOR NEGOTIATIONS WHICH MIGHT LEAD TO A SETTLEMENT. THESE DISCUSSIONS HAVE PRODUCED SOME USEFUL CLARIFICATION OF THE TEACHERS' POSITION AND I HOPE THEY WILL CONTINUE. BUT I HAVE TO SAY THAT AS THEY STAND THE TEACHERS' PROPOSALS DO NOT APPEAR TO ME TO OFFER A WAY FORWARD.

MEANTIME THE EIS ANNOUNCED LAST WEDNESDAY A MAJORITY VOTE IN FAVOUR OF A BOYCOTT OF PUBLIC EXAMINATION PROCEDURES IN 1986. THIS IS CAUSING GREAT ANXIETY FOR PUPILS WHO ARE WORKING FOR QUALIFICATIONS TO SECURE THEIR OWN FUTURE. I MUST THEREFORE MAKE QUITE CLEAR THE GOVERNMENT'S POSITION IN THE LIGHT OF THE EIS DECISION. THE SCOTTISH EXAMINATION BOARD HAS A STATUTORY DUTY TO CONDUCT EXAMINATIONS EACH YEAR FOR THE AWARD OF CERTIFICATES RELATING TO SECONDARY EDUCATION. THERE SHOULD BE NO DOUBT WHATSOEVER IN THE MINDS OF ANY PUPIL, PARENT OR TEACHER THAT THE BOARD IS DETERMINED TO DO EVERYTHING WITHIN ITS POWER TO CARRY OUT THAT DUTY AND THAT THE GOVERNMENT ARE FULLY COMMITTED TO DOING EVERYTHING POSSIBLE TO ENSURE THAT CANDIDATES NOW WORKING FOR SCE AND CSYS EXAMINATIONS IN 1986 WILL NOT BE LET DOWN.

THE PRESENT POSITION THEREFORE IS THAT THE TEACHERS HAVE ASKED FOR A LARGE PAY SETTLEMENT WITHOUT ANY COMMITMENT ON THEIR PART TO CHANGES, ESPECIALLY IN THE CONTRACTUAL CONDITIONS GOVERNING THE TEACHER'S JOB. THE LOCAL AUTHORITY EMPLOYERS AND I ARE ENTIRELY AGREED THAT IT IS IMPOSSIBLE TO RUN AN EFFECTIVE SCHOOL SYSTEM IF TEACHERS HAVE THE POWER TO PICK AND CHOOSE WHICH PIECES OF WORK THEY WILL DO. THE EXAMINATIONS BOYCOTT DEMONSTRATES EXACTLY WHAT I MEAN.

I HAVE ALWAYS RECOGNISED THE VITAL CONTRIBUTION WHICH TEACHERS HAVE IN THE PAST MADE TO THE RUNNING OF THE EDUCATION SERVICE BY THEIR WORK OUTSIDE THE NORMAL SCHOOL DAY, PARTICULARLY IN CARRYING FORWARD NEW DEVELOPMENTS IN THE CURRICULUM AND EXAMINATIONS. WE NEED THE CONTINUED INVOLVEMENT OF TEACHERS IN THESE ACTIVITIES AND THE PURPOSE OF THE PACKAGE PREPARED BY THE LOCAL AUTHORITY EMPLOYERS IN JULY WAS TO GIVE FAIR AND APPROPRIATE RECOGNITION TO THIS FACT IN A FRESH APPROACH IN CONDITIONS OF SERVICE, THE DEFINITION OF THE TEACHERS' ROLE AND A NEW PAY STRUCTURE.

IT WAS IN RECOGNITION OF THIS THAT I WAS ABLE TO ANNOUNCE THAT SUBSTANTIAL ADDITIONAL RESOURCES COULD BE MADE AVAILABLE OVER THE NEXT FOUR YEARS. THE OFFER REMAINS OPEN, AT LEAST FOR THE TIME BEING. BUT I HOPE THERE IS NO MISUNDERSTANDING ABOUT ITS STATUS. IT WAS MADE CONDITIONAL ON NEGOTIATION, WITHIN THE SJNC, OF NEW CONDITIONS OF SERVICE. I KNOW THAT MANY TEACHERS, BOTH LEADERS AND RANK AND FILE, DESPERATELY WANT TO SEE THIS DISPUTE RESOLVED AS DO I AND THE LOCAL AUTHORITY EMPLOYERS. BUT I HAVE TO SAY THAT AFTER ALL THE DAMAGE THAT HAS BEEN CAUSED AND PARTICULARLY IN THE LIGHT OF THIS LATEST THREAT THE PUBLIC HAVE A RIGHT TO EXPECT THAT ONE ELEMENT IN A SETTLEMENT SHOULD BE A FIRM CLARIFICATION OF TEACHERS' DUTIES, SO THAT THEY CANNOT AGAIN INFLICT SUCH CHAOS AND DEMORALISATION ON OUR SCHOOLS AT SO LITTLE COST TO THEMSELVES.

**CONFIDENTIAL**

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Tim Flesher Esq
Private Secretary
10 Downing Street
LONDON

21 October 1985

Dear Tim,

TEACHERS' DISPUTE IN ENGLAND AND WALES

My Secretary of State has seen and is content with the statement which the Secretary of State for Scotland intends making tomorrow afternoon.

As you know, he also proposes to make a statement and I enclose a draft for clearance.

I am sending copies of this letter to David Morris (Lord Privy Seal's Office), Murdo Maclean (Chief Whip's Office), Michael Stark (Cabinet Office), Joan McNaughton (Lord President's Office), Andy Rinning (Scottish Office), Richard Broadbent (Chief Secretary's Office), David Beamish (Lords' Chief Whip's Office), the Private Secretary to the Chancellor of the Duchy of Lancaster and Bernard Ingham.

Yours sincerely,
Rob Smith

R L SMITH
Private Secretary

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STATEMENT BY THE SECRETARY OF STATE FOR EDUCATION AND SCIENCE

TUESDAY 22 OCTOBER 1985

HOUSE OF COMMONS

TEACHERS' DISPUTE IN ENGLAND AND WALES

With permission, Mr Speaker, I should like to make a statement about the teachers' dispute in England and Wales.

Intense efforts have been made in recent months by the Government to bring this damaging dispute to a satisfactory conclusion.

I regret to say that they have so far been unsuccessful.

Some of the teacher unions have chosen to continue to disrupt the education of the pupils in their charge rather than accept - or even to discuss - the offer made to them. I deplore this, the damage it causes and the example it sets.

In August the Government offered the prospect of an additional £1,250m for teachers pay over four years from next April, a sum equivalent to 4% on the present pay bill rising to 9% by the fourth year. On 12 September the employers made an offer constructed upon the conditional Government willingness to see this massive extra investment on teachers' pay. Under that offer all teachers stood to receive increases in April and November. Those on their scale maxima would have got additional increases in either September or next March. The average end-of-year increase would have been over 8%. In

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addition one in five classroom teachers would have benefited substantially from the additional 70,000 promotions planned from September 1986. All of this would have been on top of any normal annual increase negotiated from April 1986. All classroom teachers at present on scale 1 or scale 2, even without promotion, could have looked forward to £10,500 plus whatever is negotiated each year on pay. In return for these proposals, which would have brought substantial benefits to the education service, as well as significant improvements in teachers' pay generally and in promotion prospects, the teachers were asked for a clear commitment to the professional fulfilment of their duties and an acceptance of a pay system which would have offered relatively greater rewards to promoted teachers and to those holding senior leadership posts.

The teacher unions took just twenty minutes to reject this offer. Since then some unions have been engaging in forms of industrial action deliberately intended to cause the maximum disruption to the education service at the minimum cost to the teachers involved in the disruption. This is deplorable and underlines why we so urgently need an agreement to define more clearly the teachers' professional responsibilities.

Since then I regret to say that the employers have been willing to make offers relating to pay alone. Even before the teacher unions confirmed that their demands far outstrip the employers' capacity to pay, I repeated the Government's position. We refuse to provide any additional resources for a "no strings" pay deal which would be a reversion to the discredited approach where negotiations on pay are separated from negotiations

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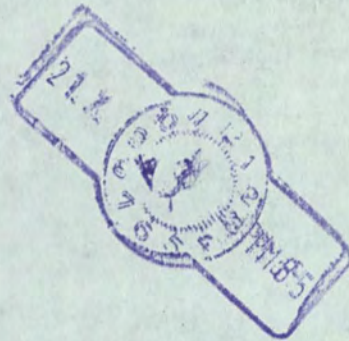
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on pay structure and conditions of service. Separation has always meant "you pay us now and we will talk about reform later" - simultaneous negotiation of all elements provides the only credible way forward. Notwithstanding the passage of the original deadline therefore, the Government remains ready to consider whether additional resources could still be approved within the £1,250m envelope for 1986-87 and subsequent years provided the conditions for reform are met. The Government is also willing to set aside resources - from within the total of £1,250m - to help employers cover the cost of supervising pupils at midday. I have discussed this proposition with the employers and it is agreed between us that officials should now discuss the way ahead.

The Government will continue to make every effort to see a bargain struck which would provide improved pay and prospects for teachers in return for a better career and promotion structure, the clarification of teachers' duties, the certain delivery of education in the schools and an end to the disruption.

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cc of

PRIME MINISTER

MIDDAY SUPERVISION

(Poss meeting
Fri 25 or Mon 28)Await
OK comments
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I announced in Blackpool that the Government would be ready to make available additional resources (within the £1250 million envelope) for midday supervision of schools on condition that the money would in all circumstances be used for and achieve its intended purpose. That purpose is to deprive the unions of this cost-free disruptive weapon which bears directly on parents and to put the LEAs in a position to secure adequate supervision during future pay campaigns. Since then, I have been exploring urgently how this might be done including, at your request, investigation of the possibility of a short Bill to give powers to make a specific grant.

2. The attached note has been prepared by my officials in consultation with the Treasury and the DOE. From this work and initial discussions which I have held with the local authority associations I draw the following conclusions:

- (i) A guarantee that new money would be used for our purposes could not be given if the resources were channelled through the normal block grant mechanism. That guarantee could only be achieved through specific grant.
- (ii) The local authority associations would be ready to play their part. They told me that the need to

make new arrangements to remove this weapon of disruption from the hands of the teacher unions was urgent.

Moreover, provided that they could be assured that the offer of new money was secure for 1986-87 many individual authorities would be likely to take steps to change the present arrangements before the start of the new financial year using their own resources. But they could not act without the certainty of new money.

- (iii) As my colleagues know, I have no specific grant powers directly to hand. Although Education Support Grant (ESG) is in principle available, we have already announced and invited bids from local authorities on a programme of activities involving new and committed expenditure in 1986-87 upto £40m within a maximum ceiling of £50m available under present legislation. We could not now undo that programme without severe political embarrassment and even then because more than £20m is committed expenditure from projects that have started this year, there would be insufficient headroom available. To secure the necessary headroom within ESG, a very short Bill would be needed to amend the 1984 Act by increasing the statutory ceiling to 1% of planned current expenditure on education (about £100m).

- (iv) To ensure that local authorities introduced new midday supervision arrangements from the start of

the new financial year (summer term 1986) this short Bill will have to be an addition to our existing programme. To incorporate the amendment into the already planned Education Bill would delay the process until the September term.

3. I see no insuperable difficulties about devising a robust specific grant which would ensure that additional money would only be paid out to those local authorities that developed effective arrangements in line with our objectives and only so long as those arrangements remained effective. In other words, no effective arrangements; no grant. It will be necessary to work out the detailed arrangements of such a scheme in consultation with the local authority associations, who have agreed to urgent discussions to that end. In order to make progress within the required timetable, I would welcome the agreement of colleagues in principle to the immediate introduction of a very short Bill to enable me to proceed by way of specific grant.

4. I am sending a copy of this minute to the Members of E(PSP), the Secretaries of State for Scotland, Wales and Northern Ireland and, in view of the implications for the legislative programme to the Lord President, the Leader of the House and the Chief Whip and to Sir Robert Armstrong.

KJ.

KJ

21 October 1985

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POSSIBLE SPECIFIC GRANT POWER FOR MIDDAY SUPERVISION OF SCHOOLS

INTRODUCTION

1 The Prime Minister has asked (Mr Norgrove's letter of 4 October) that urgent consideration be given to ways and means of resolving the issue of supervising school pupils at midday. The Prime Minister is particularly concerned that any payments made for midday supervision taken out of the £1,250 million envelope should be made in such a way that they would only be used for this purpose and asks that consideration be given to the possibility of a short Bill to give powers to make a specific grant, or alternative means if this option does not seem desirable or feasible.

BACKGROUND

2 This year, as last, the teachers' unions are pursuing their pay claim through a mixture of selective short-term strikes and a comprehensive and continuing refusal to undertake certain duties, which they deem 'voluntary' and hence susceptible to a 'withdrawal of goodwill'. The duty which causes most trouble is midday supervision. Nine out of ten teachers are now refusing to supervise and very few schools are unaffected by the consequent disruption. This is one of the unions' most disruptive and effective weapons which bears directly on parents and heads and through them on MPs and the Government. It is a weapon which is virtually cost free to teachers.

3 Very few of the teachers' duties are expressly stated in contractual terms or are covered by national agreements. There is a 1968 national agreement on the school meals service which concedes that activities which take place between the schools' morning and afternoon sessions are voluntary. Legal advice to the local authorities is that this concession (coupled with the way in which custom and practice have developed) make it unlikely that they would succeed in any test case to establish that supervising pupils at midday is an implied term of their teachers' contracts of employment. It was in acknowledgement of this that the Secretary of State accepted in May this year that midday supervision should be excluded from the range of teachers' duties. In recent years teacher supervision levels have fallen, with more and more authorities looking to separately employed supervisory assistants. Last year there were some 90,000 assistants with an aggregate wage bill of about £60 million. The Associations circularised employers in August about separate contracts for teachers and others undertaking midday supervision: the response was generally welcoming. The chance of a return to previous levels of teacher supervision after this year's disruption seem slight. One way or another, authorities are probably going to have to pay for more supervision than previously.

4 The objective therefore is to deprive the unions of this cost-free disruptive weapon and to place employers in a position to sustain supervision during future pay campaigns by the unions. It is proposed to do this by:

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- i having employers explicitly exclude the midday supervision of pupils from the contracts of employment of all their teachers other than heads and deputies: this exclusion would not apply to the normal dismissal of classes after the morning session, assembly for the afternoon session or to the supervision of clubs, societies, games, orchestra etc if those are arranged during the midday break.
- ii providing local authorities with additional resources to allow them to enter into separate contracts with volunteers - be they teachers or others - to supervise pupils during midday.
- iii ensuring that those resources will be used as payment for such contracts.
- iv ensuring that those contracts are in such a form that refusal to supervise will amount to a clear breach of contract such that the employee will not be paid;
- v arranging for employers to employ whomsoever they wish as midday supervisors so that they have the opportunity to recruit others in the event of serving supervisors deciding to withdraw their services.

free 5 There is no way of producing a cast-iron guarantee of disruption-~~free~~ midday supervision. There have already been reports, subsequently contradicted, that the NUT would be supported by public sector manual unions, such as NUPE, in their efforts to thwart new midday arrangements. This seems improbable as such action would run directly counter to their own members' interests. In any event, the proposals in this paper would mean that a refusal to supervise would result in immediate financial penalty for the employee concerned and local authorities would be given a new capability to keep schools supervised in the event of disputes with their teachers.

NB
unknown

POSSIBLE MECHANISMS

6 The Secretary of State has indicated the Government's willingness to provide extra money for local education authorities to enable them to introduce new arrangements for midday supervision on condition that the money would in all circumstances be used for and achieve the intended purposes. There are in principle two ways in which money might be channelled to LEAs:

- a through the block grant element of RSG; or
- b as suggested by the Prime Minister, through a specific grant - this could be done either through a wholly new grant, or through amendment to the Secretary of State's existing powers under the Education (Grants and Awards) Act 1984.

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7 Payment through the block grant is technically possible as early as 1985-86, as well as 1986-87. However for 1985-86 it would require a supplementary RSG Report, and while the issue of the basis of expenditure guidance and abatement is before the House of Lords there remain doubts as to when such a Report could be made. For 1986-87 it would be possible to include additional provision in the RSG Settlement due to be announced in December, although this would require a firm decision by the end of October. The mechanism would be an increase in the total of relevant expenditure, in education GREs, and in Aggregate Exchequer Grant; this would produce an increase in block grant for education authorities (except for those out of grant). But this route does not provide the means of making the payment of extra grant conditional on LEAs introducing new arrangements which would meet the objectives described in paragraph 4. The Department could issue a Circular inviting authorities to draw up suitable schemes but would have no sanctions to apply if they failed to respond. The Government could therefore not be confident that the extra block grant would produce the desired result rapidly, if at all. Moreover the extra expenditure could leak away into higher teachers pay, without any change in existing arrangements for midday supervision.

8 Payment through a new specific grant would allow money to be made available conditionally. A wholly new specific grant could be introduced, but this appears unnecessary since the Secretary of State already has power, under the Education (Grants and Awards) Act 1984, to pay Education Support Grants (ESGs) to all local education authorities in respect of approved expenditure "for or in connection with educational purposes where it appears to him that those authorities should be encouraged to incur such expenditure in the interests of Education in England and Wales". We are satisfied that this power could be used to pay grants for midday supervision. Although this raises no new principle amending legislation would be required since the 1984 Act specifies a ceiling on the amount of expenditure which may be supported in any financial year and there is insufficient headroom for next year. The sum which has been publicly quoted as available, within the total package of £1.25 billion offered by the Secretary of State, for the cost of bringing new supervision arrangements into effect is £40m a year (illustrative figures showing the build up of the £40m are at Annex A). The ESG ceiling is currently 0.5% of total planned local authority current expenditure on education, giving maximum expenditure which may be supported through ESGs of about £50m a year. From this we are already committed to supporting expenditure of £19m for the second year of projects approved in 1985-86; and the Secretary of State has announced that a further £21m worth of expenditure will be supported in 1986-87 in a number of priority areas, including the teaching of science and technology, meeting the needs of ethnic minorities, updating courses to meet the needs of industry, development of information technology, and action to combat the misuse of drugs. A new ESG for midday supervision could be accommodated within the existing ceiling only if the offer of support for all these activities with withdrawn and we would also need to look for reductions in committed expenditure.

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9 Legislation would therefore be required increasing the limit in section 2(1) of the 1984 Act to one per cent of total local authority expenditure on education. For reasons of timing this might best be done through the immediate introduction of a very short Bill, rather than as part of the Education Bill planned for next session (and not expected to receive the Royal Assent before July). It will be necessary to secure as much agreement as possible with the local authority Associations to the Government's objectives and to the basis for new arrangements. In the past, they have opposed new specific grants on principle but there is some evidence that they would be more ready to acquiesce in this proposal given the availability of new money.

10 It is for consideration whether this enabling legislation should be complemented by placing local education authorities under a new statutory duty to provide reasonable midday supervision of pupils between school sessions. It might be that such a duty would push local authorities into a more robust delivery of the service and a firmer enforcement of supervision contracts. But in the current dispute authorities have not succeeded in insisting upon the satisfactory performance of the express and implied terms of teachers' contracts of employment by reference to their fundamental statutory duty to provide sufficient and efficient education. It seems unlikely that they would be any more successful in respect of a less central duty. The prospect of advantage seems too remote to consider complicating the simple legislation proposed.

11 Once the principles of new arrangements are established we envisage that expenditure on midday supervision would be reabsorbed into block grant. Support through specific grant might be necessary for up to 5 years but could be reviewed earlier.

MANPOWER IMPLICATIONS

12 The annex attached provides an indication of the number of supervisors likely to be receiving payments. These supervisors would be in substitution for the teachers who have in previous years carried out these duties voluntarily in return for a free school meal. They would be additional to the supervisory assistants already employed to assist teachers in supervising school meals. (There might be some scope for reductions in the need for these assistants but events this year have shown that there is limited scope for substitution between assistants and supervisors wielding authority at least equal to that of a teacher). There will therefore be some manpower implications for local government. In some cases the additional "posts" would be filled by teachers already employed in the school; in others new part-time staff may be recruited. The full-time equivalent might be of the order of 4 to 5,000 nationally. Central Government manpower will not be affected.

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DETAILED ARRANGEMENTS

13 Detailed arrangements remain to be worked out and must to some extent depend on consultation with the local authorities. The steps which might be required to introduce a specific grant to support new arrangements of the kind set out in paragraph 4 are as follows:

- (a) legislation to amend the 1984 Act;
- (b) new Regulations (subject to Affirmative Resolution) to extend the scope of ESGs to midday supervision and to specify the rate of grant. We propose that this should be 70%, the rate applicable to other ESG activities;
- (c) an RSG Supplementary Report to increase relevant expenditure, AEG, and the total of specific grants. An early announcement would allow LEAs to budget for their share of the cost in 1986-87. Precept and rate limits for rate-capped authorities which are LEAs should also if possible take account of the extra commitment, which would require decisions on LEA allocations by the beginning of January 1986;
- (d) The national total of expenditure to be supported through specific grant would be apportioned between LEAs according to their school and pupil numbers. Each LEA would be given a maximum allocation of expenditure and invited to apply for grant on expenditure up to that maximum. To qualify for support LEAs would be required to state that the resources would be used for separate contracts as described in paragraph 4 which would ensure that there are arrangements for adequate supervision in all foreseeable circumstances;
- (e) LEAs which satisfied this condition would be given approval to incur expenditure, and to claim grant at the prescribed rate, up to the approved level. Virtually all this expenditure would be additional since few authorities have arrangements of this kind in place now and none are able to conform to the strict objectives which will be a condition of grant.

14 Some of these steps could run concurrently but, taking into account the need to devise robust arrangements which satisfy the Government's overall objectives, we see no prospect of introducing new arrangements in the 1985-86 financial year. In order to achieve a start at the beginning of the summer term 1986 the proposed legislation would need to have been given Royal Assent by early next year. That would not be possible if it were introduced as part of the Education Bill currently planned for next session.

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ANNEX A

ILLUSTRATIVE COSTING OF NEW SUPERVISION ARRANGEMENTS

It is assumed that:

- i head teachers and deputy head teachers would continue to have overall supervisory responsibility;
- ii the minimum additional staff necessary to implement the new arrangements would vary from one for small schools (including most primary schools) to 5 or more for the largest secondary schools;
- iii the cost to employers per supervisor per day would average £5 for 190 school days a year (although it is not envisaged that there would be national rates).

The approximate full year cost would be:

	£m
Small schools - average one additional supervisor per school 20,000 x 1 x 190 days x £5	19.0
Medium size schools - average 3 supervisors per school 4,000 x 3 x 190 x £5	11.4
Large schools - average 5 per school 2,500 x 5 x 190 x £5	<u>11.9</u>
TOTAL COST	42.3

Total additional supervisors (per day) 44,500





copy

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

21 October 1985

W 2/10

Dear George,

STATEMENT ON SCOTTISH TEACHERS' PAY

Thank you for your letter of 18 October about the possibility of making a statement next week on the Teachers' Pay Dispute in Scotland.

I am content for you to make a statement tomorrow. While I agree that the position in Scotland is different from that in England, I do not think that the House would necessarily see it in this light, and I believe therefore that your statement should be preceded by a statement from Keith Joseph. I am sure for this reason you will wish to keep in particularly close contact with him when drafting your statement.

Copies of this letter go to the Prime Minister, members of E(PSP), the Chief Whip and Sir Robert Armstrong.

John Biffen

JOHN BIFFEN

The Rt Hon George Younger MP
Secretary of State for Scotland
Scottish Office

EDUCATION
TEACHERS PAY
PTS



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ccOL



CABINET OFFICE,
WHITEHALL, LONDON SW1A 2AS

Chancellor of the Duchy of Lancaster

Tel No: 233 3299
7471

21st October 1985

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education
and Science
Elizabeth House
York Road
LONDON
SE1 7PH

NHM

2 Keith

TEACHERS PAY

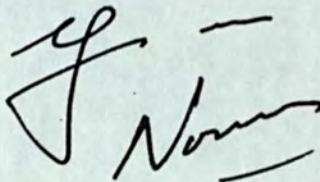
Following Cabinet on Tuesday (CC(85) 29th minute 1), you and colleagues will be discussing the need for and timing of further Ministerial statements on the teachers disputes. George Younger has commented on the urgency of the situation in Scotland in his minute of 18 October.

For England and Wales, the position taken by the Burnham Management Panel has worsened the situation; I have no doubt that it will serve to reinforce the view of the NUT, in particular, that they should continue their intransigence. They have continued with a policy of maximum disruption at minimum cost; and have seen their tactics rewarded by concession after concession. The final absurdity would be now to agree to a settlement for this year, with no more than the prospect of talks about conditions of service. I was very glad, therefore, to hear what you had to say on this at Conference.

But I think that the message you had to convey at Conference, could well need to be reinforced and strengthened by means of a statement to the House. Mrs Harrison has suggested, by her remarks to the press, that the only basis for a settlement is if the Government were to make more money available for this year. We should now make clear to Parliament that this will not happen. Further damaging attacks by teachers' unions on the schooling of children

will not be rewarded by further concessions, and their tactics will simply not run any further. If we cannot strengthen the hands of the moderates by focussing attention on the pay and career structure you made available in August, then we may strengthen their hand by showing the damage wrought, and futility, if their current tactics are continued.

I am copying this letter to the Prime Minister, Willie Whitelaw, Nigel Lawson, Members of E(PSP), George Younger, Nick Edwards, Tom King, and to Sir Robert Armstrong.

A handwritten signature in black ink, appearing to read 'Norman Tebbit', with a stylized flourish above the name.

NORMAN TEBBIT

EDUCATION
TEACHERS PAY
PT 5



Seen by TF



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Rt Hon John Biffen MP
Lord Privy Seal
Privy Council Office
68 Whitehall
LONDON

18 October 1985

Dear Lord Privy Seal

STATEMENT ON SCOTTISH TEACHERS' PAY

When I raised with colleagues on Tuesday the possibility of making a statement next week on the teachers' dispute in Scotland I was invited to discuss the matter further with you, Keith Joseph and the Chief Whip. I must now tell you that developments since Tuesday have convinced me that it is absolutely essential that I should make a statement and I hope this can be arranged for Tuesday 22 October.

My original intention has been:

- i. to report on my offer in August of additional resources to pay for the package of changes in pay and conditions and on subsequent developments;
- ii. to reply to some counter proposals the teachers' side made to me at the end of September; I shall have to reject these as offering no basis at this stage for a direct way forward out of our present difficulties; and I wish to take the opportunity of reinforcing the message that changes in conditions of service and the teachers' contract must form an essential part of any pay settlement.

Since our discussion on Tuesday however the Educational Institute of Scotland have announced an overwhelming vote in favour of what amounts to a total boycott of work in connection with the 1986 Scottish Certificate of Education examinations; this has caused enormous alarm in Scotland (indeed for once there has been extensive media coverage South of the Border) and it is essential that I put on record my attitude to it and relate it to my view of the pay dispute itself.

I cannot emphasise too strongly how large the teachers' dispute currently looms in public consciousness in Scotland. The situation in schools is now acutely difficult, as the following summary shows:

- a. Continuous and widespread selective strike action, with the threat of substantial escalation.
- b. Introduction of Standard Grade courses for 14-16 year olds brought to a virtual standstill, with consequent very damaging uncertainty about the future.
- c. Administration of schools disrupted by the work-to-contract: this takes a variety of forms, but particular difficulties are arising from teachers refusal to cover for absent colleagues.
- d. A real threat, now supported by an overwhelming majority of EIS members in a ballot, by teachers to withdraw from all tasks connected with the administration of public examinations leading to the distinct possibility that all or parts of the SCE examinations may not be held next year or at least that marking will be very seriously delayed, causing chaos to entrance arrangements for higher education and confusion for O grade candidates about what subsequent courses to follow.
- e. Last but not least, withdrawal from voluntary and out of school activities, which is beginning to be felt by theatres and sports bodies and has a particularly damaging effect on morale generally.

In these circumstances I am bound to come under intense pressure as soon as the House resumes to make a statement or answer a Private Notice Question - indeed there could be an attempt to secure an emergency debate. Since I shall be out of the country from 24 October until after the end of the Session my only opportunity to deal with the matter in the House will be in the first 3 days of next week and I should much prefer to take the initiative than have some kind of statement bullied out of me at a time and in a manner not of my own choosing. I appreciate that Keith Joseph may not wish to volunteer himself in quite this way but it seems to me that the position in Scotland is sufficiently different from that in England (particularly because of the threatened examination boycott) to provide a sufficiently good justification for different treatment of the 2 countries. As there is already Scottish business on Tuesday it appears the most suitable day.

I hope therefore that you can agree to my request. I shall circulate a copy of the proposed statement as soon as possible.

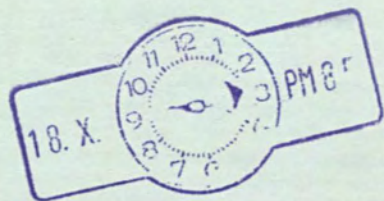
I am sending a copy of this letter to the Prime Minister, members of E(PSP), the Chief Whip and Sir Robert Armstrong.

Yours sincerely,
Andy Rinning

ANDY RINNING
Private Secretary

Approved by the Secretary of State
and signed in his absence







10 DOWNING STREET

David,

Your letter of 4/10
to DES (AT (lap)).

DES tell me what
you know their latest
position on this.

Any further action
required by us.

JP

No,
the rules
David

17/10

NI1712 3 XXX 57

URGENT - TEACHERS

EMPLOYERS IN THE TEACHERS' PAY DISPUTE HAVE TOLD UNIONS THEY ARE PREPARED TO INCREASE THEIR PAY OFFER TO 6.9 PER CENT, COMPARED WITH PRESENT OFFER OF 5.85 PER CENT.

EMPLOYERS HAVE ASKED THE UNIONS TO JOIN THEM IN ASKING THE GOVERNMENT TO SET UP A ROYAL COMMISSION ON TEACHERS' PAY AND CONDITIONS.

--

141429 OCT 85

Prime Minister 2

This apparently is an "informal" offer; no word on how they would expect to finance it. *£65 14/10*

(7.5% in a full year)



10 DOWNING STREET

From the Private Secretary

14 October 1985

THE TEACHERS' DISPUTE IN SCOTLAND

The Prime Minister was grateful for your Secretary of State's report about the position on the teachers' dispute in Scotland (minute of 7 October).

I am copying this letter to Rachel Lomax (HM Treasury), Joan MacNaughton (Lord President's office), Andrew Lansley (Office of the Chancellor of the Duchy of Lancaster), Rob Smith (Department of Education and Science), Colin Williams (Welsh Office), Robin Young (Department of the Environment), Leigh Lewis (Department of Employment), Jim Daniell (Northern Ireland Office) and Michael Stark (Cabinet Office).

(DAVID NORGROVE)

Andy Rinning, Esq.,
Scottish Office.

CONFIDENTIAL

2
For information - as advised.

Prime Minister

DLW
8/10.

THE TEACHERS' DISPUTE IN SCOTLAND

I have seen Keith Joseph's minute of 2 October about the teachers' dispute. I should let you and other colleagues know what the situation is in Scotland.

The Current Year

Negotiations for a 1985/86 settlement have still not begun. The teachers' panel still adhere to their declared aim of securing an independent pay review and profess not to be interested in a short-term settlement that will do nothing to restore their members standard of living. The employers for their part know that any offer they could afford to make would be rejected out of hand. I have seen representatives of both sides and urged them to start negotiations but there is no movement in their position. If there is to be any change it is likely to come from pressure from the rank and file, most of whom have now had no pay increase of any kind since April 1984, but for the present the teachers' leaders continue to enjoy strong support in the schools for the stand they have taken.

Strike action continues. For the moment it is fairly evenly dispersed across the country, but the threat of a resumption of concentrated action in selected areas continues. More serious at the moment is the very widespread "work to contract": not only does the boycott of curriculum development continue, but the EIS have now withdrawn from all voluntary extra-curricular activities (these admittedly are non-contractual, but their loss has a quite disproportionate effect on the morale of the schools) and they are balloting their members on a proposal to

E. B.,

withdraw from all work connected with public examinations. If this goes ahead the effects will not be felt for some months but could be very serious when they come: and meantime parents see the danger and are becoming acutely alarmed.

It is worth reminding ourselves that most Scottish schools have not worked normally since August 1984 and the atmosphere of general discontent which has been fostered by Union representatives has been very apparent to pupils. The worst effects are therefore not only in the wrecking of many children's only chance of passing key exams, but in a general encouragement to a whole generation of pupils to regard militancy as a normal part of life. The effect on attitudes to authority in general and to teachers in particular can easily be imagined.

The longer term

When I made my August offer of extra resources in return for agreement on revised terms of service I had still to exert some pressure on both employers and teachers to get the two sides to come together to consider it. I have been at pains to put across both to the two sides and to the wider public the value of the offer and the very considerable concession it represented in the present climate; but the task has been frustrated by the employers' side, who insisted not only to me but to the teachers that they considered their conditions of service package worth 15% over 3 years (and indeed said they had costed it at that level), as against the 10% over 4 years which I had offered. It has been impossible to illustrate the value of my offer in terms of specific salary increases, since the employers have refused to translate their costings into a formal offer backed by indicative salary scales. This has made it easy for the teachers' side to reject it out of hand as a "non-offer".

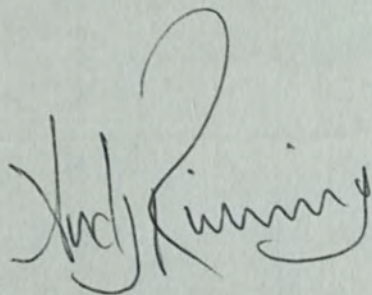
In a further attempt to get things moving I have recently seen representatives of both sides. I believe that the employers are coming to realise belatedly that they miscalculated. They

are at last coming round to the idea of presenting their conditions of service proposals more positively and they are beginning to contemplate - though still hesitantly - taking a stronger line with the teachers over breach of contract. The teachers meantime show signs of realising that, precisely because they have demonstrated to the public through their "work to contract" how little they are obliged to do, they might in fact stand to lose as well as to gain from an independent review. They have therefore started to ~~our~~ ^{air} alternative suggestions for arriving at a settlement. I am now trying, through informal contracts, to find out more precisely what these suggestions entail in order to see whether they indicate any way in which we might move towards an agreement, but I have to say that as they stand they appear to involve an unacceptable financial cost with little by way of bankable concessions on terms of service in return.

In short, my August initiative has at least produced a willingness to talk; but the basis of a settlement is still not in sight.

We must clearly keep open for as long as we can the possibility of reaching agreement. The Rate Support Grant arrangements in Scotland are such that there need be no technical obstacle to revising the 1986-87 settlement even after it is published in the next week or so. I have nevertheless told both sides that if there is no significant movement towards an agreement within the next few weeks it would become, in practice, very difficult indeed to leave the offer on the table; but I have also made it clear, in the interests of retaining goodwill (and to avoid being boxed in) that my offer will not automatically fall at, say, the end of October. There would be nothing to be gained at present by an ultimatum.

Copies of this minute go to the Chancellor of the Exchequer, the Lord President, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Education and Science, Wales, the Environment, Employment and Northern Ireland, and to Sir Robert Armstrong.

A handwritten signature in cursive script, appearing to read 'Andy Rinning'.

ANDY RINNING
(Private Secretary)

(Approved by the Secretary of State
and signed in his absence)

7 October 1985.

EDUCATION
TEACHERS PAY
PTS



089

10 DOWNING STREET

7 October 1985

From the Private Secretary

TEACHERS' PAY (ENGLAND AND WALES)

The Prime Minister has seen and noted the report in your letter to me of 4 October of the position following Friday's meeting of the Burnham management panel.

I am copying this letter to the Private Secretaries to members of E(PSP), the Chancellor of the Exchequer, the Lord President, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Scotland, Wales and Northern Ireland and to Sir Robert Armstrong.

David Norgrove

Rob Smith, Esq.,
Department of Education and Science.

SM



pa how.
(no need for
ack to DES).

10 DOWNING STREET

Prime Minister

DES read this over to
me before sending it.

The leak to the Guardian
(my guess is DOE again) may
have had a material effect
on the outcome of the
meeting.

Unless discussion with
the Policy Unit and Stiles
on Sunday suggests a need
to consult you further, I
would intend simply to
write on your behalf.

DES

4/10.



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

David Norgrove Esq
Private Secretary
10 Downing Street
LONDON SW1

4 October 1985

Dear David,

TEACHERS' PAY (ENGLAND AND WALES)

1. Herewith a brief updating of the position following today's meeting of the Burnham management panel.

2. *attached* The Chairman, Mrs Harrison, pressed hard, on the basis of today's Guardian article, for confirmation or amendment of the Government's position as presented by the Secretary of State when he met her on 13 September (immediately after the Burnham rejection by the teachers but before the AMA broke ranks). The "highlight" questions and the answers given by the Secretary of State's representatives are attached as Annex A. Discussion within the panel made it clear that the Guardian story was widely believed and that Labour members at least expected some movement from the Government during the Party Conference.

3. AMA then moved the resolution attached as Annex B, still claiming that the panel had been misled by Government over the possible availability of resources beyond the October RSG deadline. Before the vote the Government position on resources for 1985-86 and beyond was repeated. The resolution was carried by the Chairman's casting vote. Mrs Harrison then declared her intentions. First a meeting with Mr Jarvis of the NUT. If that yielded the basis for a 1985 settlement she would then convene a meeting of all LEAs to consult them about the position - decisions remaining with the panel of course. If it did not produce that result she would immediately reconvene the panel. She did not pursue that part of the presentation dealing with a meeting with Sir Keith Joseph; the signs are that she will want to delay that until after the Party Conference (she may also want to see first what may be possible between herself and the unions).

4. Sir Keith will be issuing a press statement tonight simply giving the answers at Annex A and confirming his willingness to meet the employers, as early as Monday if they wish.

5. We therefore remain broadly on course for our Secretary of State's speech to Conference to be along the lines of the outline attached as Annex C to the report enclosed with his minute to the Prime Minister of 2 October (amended of course to take account inter alia of the comments received from the Prime Minister and Chancellor).

6. Copies of this letter and enclosures go to the Private Secretaries to the Chancellor, Members of E(PSP), the Lord President, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Scotland, Wales and Northern Ireland, and to Sir Robert Armstrong.

Yours sincerely,
Rob

R L SMITH
Private Secretary

Q.1 We have been told that 1986/7 RSG must run from 11 October - with just a few days' grace possible only - with or without the £200 million addition for RSG. But would the Government be willing to add to local authority expenditure for 1986/7 at any later date, using whatever mechanisms might be available to it?

A. The August offer of £200 million in 1986 and £1,250 million ~~from~~ ^{over} 1986/90 envisaged £200 million extra in the RSG settlement for 1986/7. The Secretary of State has repeatedly explained that agreement is needed by 11 October (with a few days' grace) because of the RSG timetable. If a satisfactory agreement is not achieved within that timetable the Secretary of State will certainly be willing to consider whether there is any different way in which the Government can help. That consideration ^{would} ~~will~~ depend on the positions taken by the Teachers and Employers. ^{But} the Employers must be clear that the Government's present offer would fall and that no follow up offer exists. Also there could be no question of any more resources than already proposed; and any deal would have to meet the conditions set out in the 5 August statement.

Q.2 Is the Government willing to make a separate addition to local authority expenditure to allow employers to deal separately with mid-day supervision if there is no agreement on an overall structure package?

A. The Secretary of State wants to see mid-day supervision settled as part of a complete package. But the ACC has already asked again for ^{separation} ~~supervision~~ to be considered, and he is now aware of the second question posed this morning. He is considering that request for review. Is there any specific proposal that the Employers might wish to make? →

If the Employers wish to press for separation, can they offer ways in which they could guarantee the money would be spent on supervision and ensure supervision against future industrial action in support of teachers' pay claims?

BURNHAM MANAGEMENT PANEL 4 OCTOBER 1985

1. THE MANAGEMENT PANEL RELUCTANTLY ACCEPTS THAT A SETTLEMENT ON PAY ALONE FOR 1985/6 IS THE ONLY WAY FORWARD IN ORDER TO SECURE DISCUSSIONS ON A NEW STRUCTURE.
2. THE MANAGEMENT PANEL, THEREFORE, AUTHORISES ITS LEADER TO SEEK A MEETING WITH THE LEADER OF THE TEACHERS PANEL TO DISCUSS THE BASIS UPON WHICH SUCH A SETTLEMENT CAN BE SECURED PRIOR TO A MEETING OF THE FULL BURNHAM COMMITTEE.
3. THE MANAGEMENT PANEL FURTHER REQUESTS A MEETING WITH THE SECRETARY OF STATE TO SEEK ADDITIONAL GOVERNMENT FUNDING FOR THIS YEAR'S SETTLEMENT AND TO DISCUSS THE STANDING OF FUNDING FOR THE STRUCTURE PACKAGE (INCLUDING MONIES FOR MID-DAY SUPERVISION) PARTICULARLY IN THE LIGHT OF THE LATEST INFORMATION REGARDING THE 11 OCTOBER DEADLINE.

[CARRIED BY CHAIRMAN'S CASTING VOTE AFTER A 13-13 TIE.]

Joseph to climb down in teachers' pay dispute

By Sarah Boseley,
Education Correspondent

The Education Secretary, Sir Keith Joseph, is planning a climbdown from the Government's hard line on the teachers' pay dispute when he speaks to the Conservative Party conference next Wednesday.

Sir Keith intends to let it be known that the October 11 deadline he has so far rigidly imposed for agreement on teachers' duties — in return for £1.25 billion extra for pay from 1986-90 — is now flexible.

He will indicate that he can make the money available up to the end of the year if teachers will sign an agreement on charges in their salary structures and conditions of service which he believes will offer better teachers better pay and promotion prospects. Sir Keith also plans to offer local education authorities £40 million immediately out of that money to pay for lunch-time supervision by teachers of other staff.

This softening of the Government's previously tough stance is a result of the new

alignment by an influential, Labour-led faction of the teachers' employers.

The management panel of the Burnham Committee, which negotiates teachers' pay, will decide today whether to back proposals from the Association of Metropolitan Authorities (AMA) to offer teachers a no-strings rise for 1985, dissociating itself from the Government's restructuring ideas. The unions have refused to talk about restructuring before the 1985 rise is settled.

If the panel, as is considered fairly likely, agrees to drop restructuring for the time being, the October 11 deadline will pass without agreement. Sir Keith is committed to the changes and the local authorities and unions agree in principle that they are long overdue.

Extending the deadline will provide a cash inducement for talks after the strikes and disruption end. He has often said that the deadline was set because the money would be provided as part of the rate support grant—about half paid by Government and half by the authorities—and therefore has

to be included in the bill to go before Parliament in the coming session.

Mrs Thatcher reiterated this last week in a letter to Mr John Pearman, deputy leader of the employers' side, but stopped short of saying that the deadline was immovable. The money could be the subject of a supplementary bill as late as December or January.

Sir Keith saw no reason to be flexible while the employers were aligned with him and fighting to reach agreement with the unions before October 11. With the likely change of tack today, and less than a fortnight before the deadline, he sees his own shift of position as inevitable.

He will demand a more detailed agreement on restructuring than the "in principle" commitment he was willing to accept before and will not concede to any request from the local authorities for more money to pay teachers for 1985.

The end to nine months of dispute depends on whether the local authorities can find at least 6.9 per cent, end-

Turn to back page, col. 4

Joseph climbdown

Continued from page one
loaded to more than 7.5 per cent, to meet teachers' minimum demands. The picture varies from one authority to the next, but the most any has budgeted for is 5 per cent.

However, most have contingency funds which they could draw on, and a small amount has been saved through the interest on money set aside at the beginning of the year to pay the teachers' rise.

If Sir Keith goes ahead with his plan to offer the local authorities immediately the £40 million from the package that was always intended for lunch-time supervision payments, it may cause some resentment from the union which have refused to cover lunch-times as part of their industrial action. Other staff could be paid to cover in their place.

Next month, or early in December, the National Union of Teachers, the largest and most militant union, will be deprived of its majority on the Burnham Committee, which it has often used to veto the stance of the moderates. The National Association of Schoolmasters/Union of Women Teachers, the next largest, will then be in an important position. It is in favour of restructuring, although not in the way Sir Keith wants.

**Poor quality
text due to the
nature of the
material.**

**Image quality is
best available.**

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FILE

RANABS

10 DOWNING STREET

4 October, 1985

From the Private Secretary

TEACHERS' PAY

The Prime Minister has seen your Secretary of State's minute of 2 October and the Chancellor's letter of 3 October.

She is broadly content with the way your Secretary of State intends to proceed. She agrees generally with the Chancellor's comments.

On specific points, she believes, with the Chancellor, that the best description of the manner in which the £1250 million is to remain on the shelf is that given in paragraph 24 in Annex C of your Secretary of State's minute.

She agrees that the Secretary of State's representatives should keep open today the possibility of an accommodation with the employers on mid-day supervision. However, she is concerned that any payments for mid-day supervision should be made in a way to ensure that they are only spent for their intended purpose. She wishes urgent consideration to be given to this, including investigation of the possibility of a short Bill to give powers to make a specific grant. I should be grateful if you could now set this in hand, consulting among others the Department of the Environment and the Treasury.

If the option for a specific grant does not on further consideration seem desirable or feasible, the Prime Minister would welcome an assessment of how far alternative forms of payment would ensure that the money was spent for its intended purpose.

The Prime Minister notes that if it is agreed after further consideration that a mid-day payment should be made, the formulation in Annex C will need to be changed to make it clear that money for mid-day supervision will come from within the £1250 million. Paragraph 27 could give the impression that it would be in addition.

I am sending a copy of this letter to the Private Secretaries to members of E(PSP) and to Rachel Lomax (HM

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-2-

Treasury), Joan MacNaughton (Lord President's Office), Andrew Lansley (Chancellor of the Duchy of Lancaster's Office), John Graham (Scottish Office), Colin Williams (Welsh Office), Jim Daniell (Northern Ireland Office) and Michael Stark (Cabinet Office).

(David Norgrove)

R.L. Smith, Esq.,
Department of Education and Science.

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~~C. Bernard Lyham~~
spa.

PRIME MINISTER

TEACHERS PAY

The Management Panel of Burnham are meeting tomorrow, to decide their position, with the deadline of 11 October looming. Sir Keith's paper sets out his proposals for use at the Party Conference and beyond in the expectation that no settlement will be reached by the deadline. You will want to read Sir Keith's minute and to dip into the Report, as well as reading the Policy Unit note and the Chancellor's letter.

On the handling of the £1250 million, I suggest you accept Sir Keith's proposal in the formula of paragraph 24 of Annex C, line to take at the Party Conference, of Sir Keith's minute. The Chancellor is content with this.

Sir Keith's proposal to offer a payment to employers so that volunteer teachers or others can take on midday supervision is a way of showing that the Government is not sitting on its hands and also weakens the position of the teachers.

The difficulty is to ensure that the money goes for this and not for other local authority purposes. DES say the local authorities want to spend money on midday supervision. The Policy Unit and DOE believe a fair number of them will spend it on other things if they get the chance. The Policy Unit suggest a short Bill to turn the payment into a specific grant. If you see any attractions in this, it needs further study.

So I suggest:

- (i) Agree generally with the Chancellor's comments;
- (ii) On specific points:
 - (a) Agree that the £1250 million should be described as in paragraph 24 of Annex C;

Yes m

- (b) Agree that tomorrow the Secretary of State's representatives should keep open the possibility of an accommodation with the employers on midday supervision; *Yes mt*
- (c) Invite DES, DOE and Treasury to consider urgently how far a payment for midday supervision could be set up in a way which made sure that it was only spent for its intended purpose, including investigation of a short bill giving powers to make a specific grant;
- (d) Note that if it is agreed after further consideration that a midday payment should be made, the formulation in Annex C, on the public line to take, needs to be changed: paragraphs 24 and 27 together seem to imply that the payment for midday supervision would be outside not inside the £1250 million.

If you do not think a Bill even worth investigating are you content for Sir Keith to proceed towards a payment for midday supervision through RSG? . →

DN

David Norgrove

3 October 1985

TEACHERS' PAY

Keith Joseph no longer holds out much hope of a settlement by 11 October. He proposes:

- i. withdrawing the government's offer on the 11th, but expressing willingness to consider any restructuring package that is agreed by both parties after that date;
- ii. offering help to headteachers by adding a sum for lunchtime supervision to the 1986/7 RSG settlement, enabling LEAs to employ either outsiders or volunteer teachers as supervisors.

Keith's position on the government's offer seems sensible. He will clearly lose favour with the press if he simply withdraws the package, but he will appear weak if he lets 11 October go by without a word; a statement that he will consider an agreed reform kills both these birds with one stone. But it needs to be made clear from the start that the package would have to be:

- a. acceptable (ie likely to make a real difference to the quality of education)
- b. truly agreed (ie with full backing from all unions);
- c. within the financial limits (ie £1250m less any cash given for elements of the package introduced in advance).

It is also important to offer headteachers some help, and money for lunchtime supervision will certainly be welcomed. But the RSG is surely the wrong instrument: one could not guarantee that the funds would be spent on supervision, and April 1986 is far too late. Couldn't you consider instead a short Bill, rushed through both Houses in a few days, giving Keith power to make a specific grant for lunchtime supervision? This would not only enable him to direct the money to the right place and at the right speed, but also ensure maximum publicity for the move.

A specific grant of about £15 million would enable the local authorities to fund all the necessary lunchtime supervision for the remainder of the 1985-86 financial year. And a short supplementary rate order could establish a "disregard" for this spending so that it did not conflict with the expenditure target system. The Bill could also give the Secretary of State power to offer a smaller grant in

DOE will not like this, but it is the only way of making sure the money is spent on midday supervision.

1986-87, funding only a percentage of the necessary expenditure, and leaving local authorities to finance the rest. To allay any Parliamentary fears, the Bill could contain a self-destruction Clause ensuring that the specific grant power lapsed after 2 years unless re-enacted.

DES would not need to say anything about such provision at tomorrow's meeting of the Burnham Management Panel, and should not do so since it might compromise the chances of a settlement before 11 October. The matter could simply be left open. However, Ministers would have to make a private decision to proceed along these lines within the next 2 weeks.

We recommend that you should:

- endorse Keith's proposal to put the government's reforms 'on the shelf';
- press for a new specific grant for lunchtime supervision;
- ensure that no commitments are made about either of these points at tomorrow's meeting of the Management Panel.

Oliver Letwin

OLIVER LETWIN

Peter Warry

PETER WARRY



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

3 October 1985

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education and Science
Department of Education and Science
Elizabeth House
York Road
LONDON SE1

Dear Secretary of State,

TEACHERS' PAY DISPUTE

I have seen a copy of your minute to the Prime Minister of yesterday.

I am broadly content with the way you propose to proceed subject to the following points.

First, on the £1.25 billion; much clearly depends on the presentation. I can see the objections to a brutal withdrawal of the offer on 11 October. On the other hand we cannot allow the teachers to think it is there simply for the asking, at any time. It is surely not. I think the tone of paragraph 24 of the synopsis of your speech to the Party Conference has it about right.

Second, the offer of money for mid-day supervision must be clearly dependent on the local authorities delivering. I understand there may be difficulty about this, and it could be that any money provided would be diverted to other purposes. This must not be allowed to happen. It is essential - as we have agreed - that this weapon is removed once and for all from the unions' armoury.

Third, any money provided for mid-day supervision must of course come out of the £1.25 billion on offer. It cannot be additional. If, say, £40 million a year is spent that way, then the maximum amount of remaining money over the four year period will be £1,090 million.

On the RSG settlement, my understanding that while it becomes increasingly difficult to do anything within the 1986-87 RSG settlement, the absolute deadline is well beyond 11 October. But we will need to be consistent over this: if no agreement has been reached by 11 October, we cannot very easily say that money could be made available for mid-day supervision for 1986-87 while at the

*They could
not prevent
it.*



same time flatly denying that anything can be done on the rest of the package until 1987-88 - even if in practice it might well work out that way. What you say about the availability of the rest of the £1.25 billion will clearly need to take account of this.

Finally, there is the question of 1985-86. I am sure that your representatives at tomorrow's meeting of the Management Panel must stand firm on our present position. They should oppose any moves to improve the previous offer for 1985-86 and make it clear that the Government will not produce any money, either this year or thereafter, to finance any such offer. So far as their position on mid-day supervision goes, I agree that they need not absolutely deny the possibility of an accommodation with the employers, but they will need to watch the point about timing mentioned above.

I am copying this to the Prime Minister, members of E(PSP), the Lord President, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Scotland, Wales and Northern Ireland and to Sir Robert Armstrong.

Yours sincerely
Nigel Lawson

NIGEL LAWSON

*(approved by the Chancellor
 and signed in his absence)*



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PC

CCOK

MR NORRGROVE

Reference No E 0108

TEACHERS' PAY

No - not at
this stage.

You are, I understand, arranging a meeting on 7 October to review the situation on the teachers' pay negotiations, in the light of the Management Panel meeting on 4 October. Meanwhile the question is how the DES representatives should act at the 4 October meeting.

2. The position as disclosed in the Education Secretary's minute of 2 October, and the paper attached to it, is very unsatisfactory. It might not have been too bad for the Government if the teachers had secured a relatively high pay settlement in the 1984/85 pay round if this had in effect been part of a package also providing for better management and discipline, as well as better career prospects for the profession. But all the signs now are that the employers are likely to concede a disagreeably high pay settlement as from 1 April 1985 without making any progress at all towards the Government's wider objectives. From the Government's point of view, the negotiation machinery for teachers is now almost as bad as that for local authority manual workers, where an 8 per cent settlement has been conceded in the 1985/86 pay round without any effective opportunity for Ministers to intervene.



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3. The immediate questions for the Government are
- (i) what to say about the increased money offered by the Government in return for a satisfactory reform package, and
 - (ii) how to deal with the problem of lunch-time supervision?

On the latter, the Education Secretary envisages that, if no settlement is reached in the near future (which would by definition be on terms unsatisfactory to the Government), the Government should be ready to make available the £40 million or so of the total increase contemplated for 1986-87 attributable to school meals supervision, in next year's RSG settlement. As to the rest of the money, that would in a sense remain on the shelf, with consideration to be given to the timing of its release when the two sides could come to an agreement acceptable to the Government on a 'reform' package.

4. It may well be sensible to avoid taking a strong line against any concession on payment for lunch-time supervision at the meeting on 4 October; the position of head teachers is desperately uncomfortable, and the Government will not wish to lose their goodwill if the dispute, and the present scale of industrial action, is to continue for a considerable time.



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But it is not clear how, if the Government were to make the money available to pay separately for lunch-time supervision, Ministers could be sure that the local education authorities would actually apply it to this purpose - there are no direct controls, and the effect could simply be to help the LEAs to finance an even more expensive pay settlement in the 1984-85 round without doing anything to limit the scope the teachers' unions have for creating disruption in the future by industrial action costless to their members. As to the rest of the additional money offered, DES will have to strike a very careful balance; the Government will not wish to be seen to be removing all possibility of teachers receiving the benefit of the Education Secretary's offer in the event of an agreement on reform, but equally - the 11 October deadline having been stated several months ago - the LEAs and the teachers must understand that they cannot rely on the money becoming available instantly when and if they come to some sort of agreement. How and when the money would be made available, given that next year's RSG will need to be settled in the relatively near future, is something the Government would have to consider afresh when the occasion arose.

5. The Government's tactics, including the nature and timing of any advertising campaign, will need to be considered next Monday in the light of the result of the 4 October meeting. The situation is very unpromising, and it is hard



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to find constructive steps which could be relied on to improve it. In the longer run it will almost certainly be necessary to reconsider the whole machinery for settling teachers' pay.

JW

A J WIGGINS

Cabinet Office.

3 October, 1985

EDUCATION
TEACHERS PAY
PTS



GOVERNMENT OF INDIA



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PRIME MINISTER

TEACHERS' PAY

1. You asked for a report and this is attached. In this covering minute I want to highlight some key points.

2. The important dates are 4 October (Burnham Management Panel meets), 9 October (Conference debates education) and 11 October (the deadline, with just a few days' grace, for our £1,250 million offer).

3. The prospect of a 1985 pay settlement drawing upon the £1,250 million has almost certainly gone. The AMA employers, by breaking ranks and conceding the major part of the unions' case, have seen to that. But even had the employers held firm, the unions have shown no sign whatsoever of addressing any reform package until they have a 1985 settlement.

4. Because of the union leaders' initial behaviour (their dismissal of it after twenty minutes and scorn for its terms), we have been able to depict them as unrepresentative and to say that their members simply do not know what is on offer. We have had a good run on this basis and got considerable publicity for the package as we see it. But I think that the "uninformed teacher" card is now spent. Any teacher interested in the facts has now had ample opportunity to study them - even the NUT has given its members complete and unadulterated details of the offer. The argument that we could drive a bargain if only the teachers knew what was on the table (the proposition that underpins suggestions that we should contact heads or teachers direct) is starting to look a bit threadbare, particularly so far as teachers themselves are concerned. What is more, we do not want to drive teachers into an explicit rejection of the £1,250 million.

5. Our message is of a deal that will give us genuine progress towards better schools. We are offering £1,250 million over four years to allow nearly 75,000 extra promotions giving

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about one in five classroom teachers very considerable increases. (We have got figures of 17%, 23% and 26% into currency). The unions counter with a description of a 9% increase over 4 years (with no guarantee that some of this extra will not be whittled away by annual increases below the level of inflation). And they say that four in five classroom teachers will get little out of it other than a tighter contract which would destroy their capability to campaign at precious little cost to themselves for a return to Houghton pay relativities, an aspiration assiduously cultivated by the unions over the past two years.

6. These are the lines of battle. I do not see a quick victory through persuading the "ordinary" teacher. The unions' (and not just the NUT's) position is a "no-strings" 1985 pay settlement, which would be a first step in a phased return to Houghton.

7. We could meet union obduracy by simple withdrawal of the offer on 11 October. I judge that to be a non-starter. Parents keen for an early end to this long-running dispute and moderate teachers (not to mention our opponents) would come down on us for taking away the only hope for a constructive resolution to this dispute. While we can now attack the unions for intransigence, this course would allow others to turn the attack on us. As the dispute drags on, however much criticism may be directed at the teachers, I believe that much will also be directed at us.

8. I would rather take a more tenable position and, as I did in July 1984, declare myself ready to receive a reform package negotiated by the two sides, and, if I judged it good for the education service and affordable within the £1,250m, to present it to Cabinet to consider the possibilities for implementation. Now, as then, I would not set any time limit or give any guarantee of ultimate Cabinet acceptance. I would also make it clear that before I would address the matter I would want clear evidence that a draft agreement, in terms acceptable to me, was in existence. This would amount to placing the £1,250 million on the shelf, in sight but clearly out

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of reach, unless and until the unions are willing to strike the sort of bargain we want.

9. That is the least that will be expected of us. On its own, it is insufficient to defend ourselves from parents and heads (the two groups bearing the brunt of the dispute) who would accuse us of washing our hands of the problems which they face daily. The heads have had a very bad two years and they have by and large responded magnificently, but the signs are that they are coming to the end of their tether. They need some practical help. Parents also need some positive indication that we are tackling the problem direct. I think that the two come together on the issue of midday supervision. This is the unions' most effective and popular weapon, which sometimes leaves heads to cope with as many as a thousand pupils with virtually no teacher support and leaves many thousands of parents having to pick up and return their children at midday. Sometimes the journeys involved effectively deprive children of afternoon education.

10. I think that we should now put the employers in a position where they could offer separate supervision contracts to volunteers - be they teachers or others. I suggest that this would be best done by detaching the midday supervision element from the £200 million announced for 1986/87 and making it available from April 1986 on condition that the employers use it to deprive the unions of this powerful and cost-free weapon of disruption. I should, of course, come under pressure to help now rather than from April 1986, and if I were able to do so it may be in our interests for me to give that help earlier. I recognise, however, that this would involve re-opening the 1985-86 RSG settlement (including a disregard in relation to targets and holdback) and would pose particular problems in relation to rate-capped authorities.

11. This practical step would anchor our offer (paragraph

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8) to see the £1,250 million spent on the right terms. It would show that we are determined to see teachers' duties properly clarified. On this basis we could put renewed pressure on employers to behave more resolutely as regards other implied contractual duties (eg cover for absent colleagues, attendance at staff and parent meetings, involvement in curricular development).

12. Annex C to the attached report shows how this line might be presented at Conference. It will need up-dating in the light of the management panel meeting on 4 October.

13. I am sending copies of this minute and its enclosures to the Chancellor, members of E(PSP), the Lord President, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Scotland, Wales and Northern Ireland and to Sir Robert Armstrong.

KJ

KJ

2 October 1985

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TEACHERS' PAY

2 OCTOBER REPORT

This report takes stock of the present situation and proposes a position for the government to carry through the meeting of the Burnham Management Panel now called for Friday 4 October, the party conference, and the 11/mid October deadline for an agreement which would release additional resources from next April. It assumes that no satisfactory agreement will be reached in time.

Recent Events

2. On 12 September in full Burnham the management panel offered the package agreed unanimously the previous afternoon. It was rejected after a 20-minute withdrawal by the teachers, on the grounds that it did not meet their requirements for 1985, which they insist must be settled before they even discuss 1986, restructuring etc. Eventually the teachers stated that even had the package been prefaced by a 1985 offer of 6.9% over the year (not at year-end) they would not have simultaneously addressed the employers' longer term reform proposals. At that talks broke down.

3. On 13 September Mrs Harrison, leader of the management panel and chairman of the AMA Education Committee, met the Secretary of State. He confirmed that

a. the government would make no change in local authorities' expenditure position for 1985-86 to facilitate a settlement this year;

b. new money from April 1986 was available only on the well-rehearsed conditions and within the financial and time limits stated - £1250 millions and 11 October. Informally he agreed that 11 October might be varied by a few days if the result could still be accommodated within the 1986-87 RSG procedure;

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c. he could not agree to commend to colleagues a separate deal (with RSG enhancement) for midday supervision.

4. On 23 September Mr Pearman, Vice-Chairman of the management panel and Vice-Chairman of the AMA Education Committee wrote to the Prime Minister requesting a meeting. AMA and ACC leaders, then abroad, sought to put this request 'on hold' pending their return. It also seemed unlikely that it had Mrs Harrison's support: she was on holiday in France. But on 26 September the AMA Education Committee met, under Mr Pearman's chairmanship, and underwrote Mr Pearman's freelance request. A copy of the full resolution, as relayed to DES by telephone, is attached at Annex A.

5. On 26 September the Prime Minister responded to Mr Pearman, copy letter at Annex B. She turned aside the request for a meeting, saying that the Secretary of State would be immediately available to meet any employer group and restated in summary form the government's position on reform and the conditions for additional expenditure. That letter in effect answers the AMA request for additional resources. The request for a meeting has not (so far) been repeated, nor has any parallel request been made to the Secretary of State.

Analysis

6. The AMA resolution acknowledges that the teachers' minimum demand is for a 1985 settlement prior to reaching agreement on the longer term, expresses willingness to see negotiations on that basis and seeks "substantial additional monies from government together with relaxation of penalties and targets". They call on the teachers' leaders to join them in approaching the Prime Minister. The teachers' minimum demands are in fact 6.9% this year rising to 7.5% plus by the end of the year, together with a commitment to the eventual restoration of Houghton pay levels. The AMA may (privately at this stage) be aiming to meet the teachers on the percentages and to hope for an agreement on a form of words about Houghton relativities. But it is not clear that they can carry any vote within the management panel on 4 October.

AMA holds 10 out of 25 employer votes (ACC 13, Welsh JEC 2): in addition the Secretary of State has 2 votes. Labour holds 13 of the total of 27, and so without other support would still fail to carry any decision. Possibilities seem to be:

a. Taking the AMA resolution at face value, they will seek to persuade the other employers to invite the teachers to join in a joint approach to government asking for more money. They may not succeed in that - the answers are in any case already well known in the panel and would be repeated by officials in any debate. Even if they win the vote it is not clear that the teachers would join in the approach unless the employers undertook to meet their conditions (see above): that was the teachers' position last time this ploy was tried;

b. More dramatically, the AMA might seek to offer 6.9% this year rising to 7.5% plus by the year-end, plus words on Houghton, hoping to get a settlement. It is not clear that they could carry a vote on that or, even if they did, that the teachers would accept. But if both conditions were met then a settlement would result, possibly early in the following week. If so, "it [would] have to be made solely in the light of the present financial position and prospects of local authorities" (Prime Minister's letter to Mr Pearman);

c. If AMA/Labour leaders feel that they cannot hope for even conditional adoption of the AMA position, they may well press simply for a further approach to the government for additional resources 'to allow a 1985 settlement'. Again they would be reminded that the answers are already given.

d. Possibly, an employer majority might recognise that they cannot expect an early settlement of the 1985 claim and want to minimise the damage which teachers can do at midday, by arranging for separate supervision contracts. In that event officials would note that the employers are already free to do so and remind of the Secretary of State's previously stated position on the possibility of separating out midday supervision in RSG terms, but see paragraphs

8 and 9 below.

7. The AMA Education Committee resolution must be seen as excluding the possibility of early acceptance of the reform package. The government is therefore likely to have to confirm by mid-October or thereabouts that the 1986/87 expenditure/RSG process must proceed on the basis that no £200m addition to 1986/87 expenditure can be justified. Teachers, employers and possibly the public might well then claim that the government had 'taken away' the £1250 million 'offer'. The government's defence might then run as follows: nothing has been 'taken away' - it is rather that the question of a possible addition no longer arises because there has not been a settlement meeting the government's conditions for the increased investment - the RSG process will now proceed without the addition of the first block of £200m for 1986/87 - however, should a future agreement be reached the door is open for the possibility of additional resources being made available - again, on strict conditions (as in minute to Prime Minister - paragraph 8). However, this conference position would be stronger if the government were to make some modest addition to local authority expenditure for next year, in evidence of its commitment to the terms of the original 5 August statement. The only possible justification for that would seem to relate to mid-day supervision.

Midday supervision

8. This is the only aspect of teachers' duties which is covered by a national agreement. That unfortunately uses the word 'voluntary' and lawyers judge that employers are more exposed on this matter than on the other implied conditions of service which, in normal times, conscientious teachers have met as a matter of course. Midday supervision is also one of the unions' most powerful weapons, both in its disruptive effect and in its appeal to members. In recent years teacher supervision levels have fallen, with more and more authorities looking to separately

employed supervisors. The Associations circularised employers in August about separate contracts for teachers and others undertaking mid-day supervision: the response was generally welcoming. Finally, the chance of a return to previous levels of teacher supervision after this year's disruption seems slight. One way or another, authorities are probably going to have to pay for more supervision than previously.

9. An announcement that the reform proposals were now out of time and that the 1986/87 expenditure/RSG process would therefore run without additional resources for teachers' pay from 1986/87 would be better received by the public if it were matched by a decision to add, say, £40m from April 1986 to allow authorities to enter into separate contracts for midday supervision. This would not be a matter for Burnham negotiation with the teachers and could be presented as a way of depriving the unions of a cost-free industrial weapon. More importantly, the government might then say that, in default of a clarifying agreement on duties, it was up to the employers to insist on normal working, enforcing all the implied terms of teachers' contracts by resolute management action, defending such action through the courts if necessary.

Management Panel, 4 October

10. The Secretary of State's representatives will restate the government's position as necessary throughout the day, but aim to avoid absolute denial of the possibility of an accommodation with the employers on midday supervision, pending a Ministerial decision on whether or not additional funding might be made available for that from April 1986.

Conclusion

11. This report assumes that there will not be a settlement before the Party Conference. If there is, then the line will have to be changed at very short notice. If there is not, then the government position at the Conference might be as in Annex C attached. If there is still no settlement by 11 October or

whatever later date might be possible within the RSG timetable, that position would carry through into the medium term, beyond the Conference.

AMA EDUCATION COMMITTEE RESOLUTION 26 OCTOBER 1985

1. endorses the efforts of the negotiators at the July and September meetings of Burnham and regrets that they did not produce an honourable settlement of the teachers' dispute
2. recognises that the events of the past fortnight have created a new, alarming and potentially dangerous situation for the education service
3. therefore supports the request made earlier this week for a meeting with TUC and urges an immediate response in the interests of thousands of union members whose jobs are potentially threatened.
4. fully endorses the request for a meeting with the Prime Minister and asks the Education Officer to communicate to her private office the fact that such initiative has the full support of the Education Committee which demands an urgent and positive response in view of the Government's full responsibility for the current situation
5. restates the absolute and overriding need for a new structure of teachers' salaries and other conditions of service without which LEAs cannot meet their full responsibilities and welcomes the fact that the teacher unions similarly recognise the need for structure reform
6. the Committee, however, acknowledges the fact that the teachers' minimum demand is for a settlement to the 1985 pay dispute prior to reaching agreement in the longer term. Committee expresses a willingness to see its representatives negotiate on that basis but the resources available to local Government are such as to require substantial additional monies from Government together with relaxation of penalties and targets. The Committee therefore calls upon the teachers' leaders to join now the approach to the Prime Minister.



Annex B

10 DOWNING STREET

THE PRIME MINISTER

26 September 1985

Dear Mr. Pearman

You asked in your letter of 23 September for a meeting to discuss the present dispute. [Mrs Harrison*] telephoned my office today to say that the AMA Education Committee had now endorsed your request. It is not clear to me what advantage would be gained by our meeting at this stage: responsibility for reaching a settlement rests with the Burnham Committee, on which other parties are formally represented. I believe that the Burnham Management Panel should itself take stock of the situation. If as a result of that - or even in preparation for it - the Panel leaders or any employer group should wish to discuss matters with Sir Keith Joseph, I am sure that he would make himself immediately available. I do however wish to take this opportunity to comment on some of the issues you raise, to make plain (yet again) the Government's position.

I agree with you that the present dispute is doing very great damage to children's education. I also agree about the urgency of a settlement. I do not agree with your view that the employers have inadequate room for manoeuvre. Sir Keith Joseph's 5 August statement offered the prospect of an additional £1250 millions for teachers' pay over four years from next April. This is equivalent to 4 per cent on the

(* Note:
(* later corrected, phone call from AMA not Mrs Harrison.)

~~present~~ paybill rising to 9 per cent by the ~~fourth~~ year. If a settlement on this basis is agreed, the extra resources will continue for future years, providing a permanent enhancement to teachers' pay in addition to the increases which will be negotiated annually for teachers from April next year onwards in the normal way.

As a result of the proposals made on 12 September all teachers would receive increases in April and November. Those at present on their scale maxima would get additional increases in either September or next March. The average end-of-year increase would be over 8 per cent. In addition one in five teachers would benefit substantially from the 70,000 promotions planned from September 1986. And all this would be on top of the normal increase to be negotiated from April 1986. All classroom teachers at present on Scale 1 or Scale 2 - even if they were not promoted - could look forward to £10,500 plus whatever is negotiated each year on pay. This is a generous offer by any standards.

These proposals would I believe bring substantial benefits to the education service, as well as significant improvements generally in teachers' pay and promotion prospects, both in the short-term and in the medium-term. They represent a massive further investment in education.

The conditions for this investment are well known to you. The country must receive from the teachers a clear commitment to the professional fulfilment of their duties; there must also be a pay system which offers relatively greater rewards to promoted teachers and to those holding senior leadership posts.

The Government has made it entirely clear throughout that its agreement to the additional expenditure on education is conditional, limited to the amount stated, and that the first step of implementation through next year's local authority expenditure and rate support grant processes requires an acceptable bargain to be reached by mid-October. 11 October

was the date offered to the employers in the *early summer* That is not an arbitrary deadline. At about that time the Government must begin its final preparations for the Rate Support Grant settlement for next year, which acquires legal force if approved by Parliament. If the settlement that is agreed with the teachers does not deliver the much needed reforms against which the additional expenditure would be released from April 1986, it will have to be made solely in the light of the present financial position and prospects of local authorities.

I am sending a copy of this letter to Mrs Harrison and, because of the wide public interest in the matter, I am arranging for the text to be released to the press.

Yours sincerely

Raymond Barber

J.D. Pearman, Esq.

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ANNEX C

PUBLIC LINE ON TEACHERS' PAY

1. Sorrow at teacher unions' failure to respond positively and constructively to the Government's £1,250 million offer, and local authorities' offers for 1985-86 based on it.

2. Sadness at backing for union obduracy now being given by some employers. What is wrong with their (and the opposition's) readiness to concede to the unions?. They say:

- . let us settle this year's pay now
- . let us then go on to reform teachers' structure and conditions of service.

But history cries out against this two-stage approach.

3. Houghton (1974) set pay levels in the expectation of "professional standards of performance in return".

4. Clegg (1979) set pay levels having taken into account "the wide range of extra curricular activities which are part of the professional obligation of teachers to pupils, parents and schools".

5. And both times the content of the teacher's job was not set down in contractual form.

6. There were talks. Years of them. First (1980) in a Conditions of Service Working Party. No agreement. Then (1981 on) in a sub-committee of the Burnham Committee - the Joint Structure Working Party.

7. In order to help that Working Party reach a conclusion, the S of S (5 July 1984) said he was ready to receive a package negotiated by the two sides and, if he judged it good for the education service and affordable, to present it to Cabinet for help in its funding.

8. Under this stimulus the employers produced their own reform package for negotiation with the teachers. Not a Government endorsed package but an honest endeavour to resolve this problem.

9. On 5 December 1984 the NUT walked out of those negotiations. They have never gone back. Have preferred to press a straight pay claim for 1985 as a first step on the way back to Houghton pay relativities (ie a phased 34% increase) and have insisted that they will not trade pay for conditions of service - the two must be kept entirely separate.

10. Both legs of NUT position unacceptable. "Back to Houghton" is a plea for a return to mid-1970s pay leapfrog, with each group pressing to get back to its best relative level, its own "Houghton". Sure recipe for inflation which will wipe out any "restored" pay level just as surely as the 1974 pay level was wiped out by 20% inflation. Separation of pay and what the pay is for is absurd and allows the unions to engage in "maximum disruption at minimum cost" (their own boast).

11. On 21 May 1985 the S of S again tried to stimulate progress. The NUT walk-out (9 above) had by then ruled out a package for 1985/86. Looking to 1986/87 the Government would be willing to see more spent on school teachers' pay if agreement could be reached on a package which would lead to progress towards "Better Schools".

12. Conditions not onerous:

- i. definition of teachers duties (ready to exclude midday supervision; for rest only systematic appraisal went beyond tasks long undertaken by teachers)
- ii. October deadline - not arbitrary - and 5 months notice given of it
- iii. progress towards "Better Schools" - more promotions to meet the service's specific recruitment, retention and motivation needs.

13. Met with silence. Teachers continued to disrupt for more pay.
14. 5 August announcement putting figures on the May offer.
 - £1,250 million over 4 years, £200m in 86/87 - £450m in 89/90
 - October deadline reemphasised
 - must ensure progress towards Government's educational objectives:
 - . clear definition of range of teachers' duties linked to their contracts of employment
 - . more promotion for better teachers having regard to quality of work, responsibility levels, demand for scarce skills and difficulty of filling posts.
15. 12 September. Management Panel presented an offer (endorsed unanimously the previous day) constructed on Government willingness to see an extra £1,250 million spent on teachers' pay over next four years.
16. Terms of offer = 85/86 and for subsequent years.
17. Examples of individual benefits.
18. Reminder that none of figures includes "normal" annual increases from April 86 onwards.
19. Rejected after 20 minutes.
20. Three unions (NUT; NAS/UWT; AMMA) step up the disruption, continuing the "maximum disruption/minimum cost" strategy.
21. 26 September: AMA employers break ranks. Only 2 weeks after the unanimous management panel offer was tabled by the AMA Chairman.

- 21A. A good deal of the rest hinges on the outcome of the 4 October meeting. This text assumes no settlement and endorsement of the line in the minute of 2 October to the Prime Minister.
-
22. Their strategy "pay now, talk later". We have just seen how far that has got us over the years.
23. Must stand firm. Hold to a sensible course. Pay when the talking has come to a positive conclusion.
24. Mid-October time expired. Willingness to see extra £1,250 million applied not taken up. Still hope teachers will see sense and take it up later. If they do, then the Government would be willing to address an acceptable package agreed by employers and unions constructed within the £1,250 million envelope. Only if that happens will we be able to look at the timing.
25. In the meantime no end to disruption.
26. Midday supervision. Hard on pupils, parents and heads. Different from other implied duties. "Voluntary" agreement of 1968. Remove this cost-free and particularly disruptive weapon.
27. Willing to put something into RSG to help employers. They in their turn should then be more resolute on other implied contractual duties.
28. Government consistent throughout: a deal giving "something for something: better career structure and prospects, clarification of duties and the certain delivery of education in our schools: an end to annual disruption." Unions consistent throughout: "Pay us now, we will talk about reforms later, but leave us free in the meantime to continue to disrupt children's education with virtual impunity."
29. A pretence to say that little separates the two sides. A settlement at any price for 1985 will simply mean visiting upon our schools in 1986 and beyond a re-run of this year's disruption.





10 DOWNING STREET

2 October 1985

From the Private Secretary

Dear Ian,

TEACHERS' PAY

The Prime Minister has seen the correspondence about publicity for the offer to the teachers, culminating in the Chancellor's letter of 1 October to your Secretary of State.

She agrees strongly that the proposals for an advertising campaign, and for other methods of getting the scale of the offer across to individual teachers need to be studied with great urgency.

I am copying this letter to the Private Secretaries to the Lord President, members of E(PSP) and to Michael Stark (Cabinet Office).

Yours,

David

David Norgrove

Ian Hughes Esq
Department of Education and Science.

E. R.

PRIME MINISTER

TEACHERS' PAY

Agree that I should write again supporting the Treasury's proposals for publicity, along the lines proposed by the Policy Unit (papers below)?

I arranged last week that a report should come to you before this coming weekend on the state of the teachers' pay discussions. There is to be an important meeting of the Management Panel on Friday morning, where they will decide whether to go with the Labour-dominated AMA in agreeing to separate 1985-86 from discussions on restructuring.

ND
I have also pencilled in a time for a meeting on Monday morning, to discuss handling of teachers' pay at the Party Conference and after the deadline of October 11 expires.

Agree that I may set up a meeting for Monday morning with Sir Keith Joseph, the Chancellor and Mr. Tebbit? Any others?

DRS

DAVID NORGROVE
1 October 1985

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PRIME MINISTER

1 October 1985

TEACHERS' STRIKE

There is little prospect of any improvement in the situation unless a new initiative is taken.

At present, all the indications are that most teachers and members of the general public have little idea what is really on offer. And the government has not even conducted any systematic study of opinion to discover whether its propaganda efforts have been remotely successful.

Since the DES offer lapses on 11 October, time is now short, and a new propaganda campaign needs to be launched this weekend (5-6 October) at the latest. This should include:

- an advertising campaign in the national press (not just the TES) giving clear information about the offer that has been made;
- a series of high-profile ministerial speeches, preferably with the television cameras rolling;
- a 'Weekend World' programme if at all possible, with a Minister in the chair;
- a letter to all head teachers, as Norman Tebbit suggests;
- a proper opinion poll taken on the Monday, and published if it is in the government's favour.

A campaign on these lines should be sufficiently non-political to come within the scope of COI funding. If

do it, that's the programme is realistic. Please see it & do it. campaign - is necessary. News that weekend is what to be over other than Party conference

Is this within our advertising rules?

You can't get details of an offer over this way - no

determine whether TV cameras will ever be there

- unlikely to be over the

it succeeds in persuading the public and teachers that the deal is a good one, and if the opinion poll shows this, then the teachers unions may come to heel.

We recommend that you should write to Keith Joseph, supporting Norman Tebbit and urging the preparation of a new initiative on these lines, ready for launch this weekend if the management panel have not already given way by then. You may also want to fix a meeting next week to decide on tactics for 11 October itself and the succeeding period.

Peter Warry

PETER WARRY

Oliver Letwin

OLIVER LETWIN



CC/NO

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

1 October 1985

The Rt. Hon. Sir Keith Joseph Bt MP
Secretary of State for Education and Science

John Keith

TEACHERS' PAY

Thank you for your letter of 26 September. I have also seen Norman Tebbit's letter to you of 27 September, with which I strongly agree.

I recognise your efforts so far but I believe that we could be doing even more to get across to individual teachers exactly what is on offer. I would particularly urge you to take up my suggestion of writing to each individual school, if not each individual teacher, with full details of the current offer. It is quite clear that we cannot rely on the local authorities to put the case themselves. I also think that we are very close to the point where it would be helpful to launch a national advertising campaign.

I understand that there may be good reasons for waiting until after the Management Panel meeting this Friday. But I hope we can put ourselves in a position to take action immediately thereafter. The October 11 deadline is fast approaching, and if we delay much longer it may be too late. That means, of course, that the letters will need to be drafted now, and all other necessary preparations put in hand.

I am copying this letter to the Prime Minister, Willie Whitelaw, members of E(PSP) and Sir Robert Armstrong.

NIGEL LAWSON

John Lawson
Nigel

CCNO
2 PP's

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State
Department of Education and Science
Elizabeth House
York Road
London
SE1 7PH

30 September 1985

*Dec Keith,***TEACHERS' PAY**

I have seen the briefing material sent round by Stuart Sexton on your behalf and have two comments to make about it.

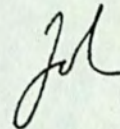
First, the Chancellor and I are concerned that our position on mid-day supervision is not explained clearly enough. Our aim here is to arrange for mid-day supervision to be the subject of separate contracts which individual teachers can choose whether or not to take up. If teachers do not choose to undertake such work others would be employed in their place to do it. It would then be impossible for teachers, who have contracted to undertake lunchtime supervision, to withdraw cover without a breach of contract. This is an absolutely crucial element of the package that I should like to see given more emphasis.

Second, I feel that the table at the back would be more effective if it also gave pay rates from 31 March 1986, and set out the percentage increases that teachers would receive as well as the absolute amounts. For example, a teacher currently at the top of scale 1, and who was promoted in September 1986, would gain a 22.8 per cent pay increase from 1 November 1986. I think that the package would be more impressively presented if some percentages could be quoted.

I hope that you will be able to take account of these comments when preparing the next version of the briefing package.

I am copying this letter to the Prime Minister.

Yours ever,



JOHN MacGREGOR

Caution: Teachers Day: PS -



F-10 JA -



10 DOWNING STREET

From the Private Secretary

30 September 1985

TEACHERS PAY

I enclose a copy of the resolution adopted by the Education Committee of the Association of Metropolitan Authorities at its meeting on 26 September. (DES have received a copy separately.)

(DAVID NORGROVE)

Richard Broadbent, Esq.,
HM Treasury.

EC

Personal

CF



Not to be sent - but
please keep in file in case
it's needed.

10 DOWNING STREET

JWS
3/10.

From the Private Secretary

27 September 1985

LETTER TO MR. PEARMAN

You wanted me to explain for the record how our mistake over the purported telephone call from Mrs. Harrison happened.

These things are not easy to recollect in tranquillity. But it seems that a woman spoke to the Duty Clerk here saying that she ~~had~~ wanted to pass on a decision which had been taken by the Education Committee of the AMA. She did not give her name.

X The Duty Clerk transferred her to a shorthand typist, who took down the message.

It was quickly assumed here that the speaker was Mrs. Harrison, despite the fact that a more careful reading of the message would have shown this to be unlikely.

The responsibility lies with me for not asking for the name of the caller to be confirmed.

DAVID NORGROVE

Rob Smith, Esq.,
Department of Education and Science.

cc 100.
cc 137
✓

Chancellor of the Duchy of Lancaster

CABINET OFFICE,
WHITEHALL, LONDON SW1A 2ASTel: 233 3299
7471

27 September 1985

Prime Minister 2.

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education
and Science
Elizabeth House
York Road
LONDON SE1 7PH

DWS
30/9.

ms

D Keith.

TEACHERS' PAY DISPUTE

I fully recognise the considerable efforts which you have been making to explain the generosity of the settlement on offer to the teachers, particularly through letters to Conservative Members of Parliament. However, all the evidence which we receive suggests that many teachers are still quite unaware of the facts. We clearly have to ensure that somehow our message gets home to the individual teachers without its being distorted by the trades union leaders. I was glad therefore to see your article in the Times Education Supplement and your letter of 26th telling me of your intention to write to all backbenchers.

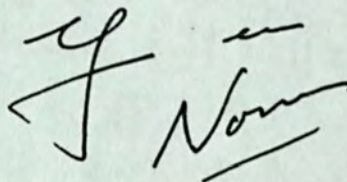
Despite that I feel that many teachers will not see the details of the offer. What is more, the events of yesterday have been skillfully portrayed by the BBC as the Government slamming the door on the employer efforts to bridge the gap.

I believe that there is much to be said for your writing directly to Head Teachers with full details of what is on offer, asking them to relay this information to their staff. If full publicity were given to such a letter, even politically unsympathetic Head Teachers would be reluctant to suppress the information which you supplied. Indeed, if it is possible, I would support you in writing to every teacher.

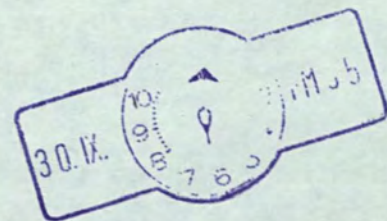
I realise that some will argue that this constitutes something improper, an attempt to 'go behind the backs of the employers'. But those employers, of course, are Labour-led and I am sure that you would agree that we cannot allow over-sensitivity to their wishes to postpone the successful resolution of the strike.

As you know, Conservative Central Office is circulating a leaflet to the Constituencies which sets out the facts of the offer and urges Conservative Councillors to bring it to the attention of teachers. We shall, of course, continue to do all that we can to help you. But, as I am sure you will recognise, Party political literature of this sort is much less likely to reach its target effectively than would a communication stemming directly from you as Secretary of State for Education.

I am copying this letter to the Prime Minister, Willie Whitelaw, members of E(PSP) and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to read 'Norman Tebbit', with a stylized flourish above the name.

NORMAN TEBBIT





Education Officer R G Morris

**Association of
Metropolitan
Authorities**

Secretary
Alun Gronow

CC DES

36 Old Queen Street
Westminster
London SW1H 9JE

Telephone
01-222 8100
Facsimile receiver only
01-222 0878

The Principal Private Secretary
10 Downing Street
LONDON SW1

our ref: EO/JSD/8/D/4
your ref:

27 September 1985

Dear Private Secretary

First, I am sorry that a misunderstanding arose when my secretary, Mrs Davies, who identified herself to the duty clerk, telephoned the Private Office yesterday to relay the terms of the resolution which was passed by AMA Education Committee. Mrs Davies was subsequently referred to wrongly as Mrs Harrison in the Prime Minister's letter to Councillor Pearman. This is all the more unfortunate because Cllr Mrs Nicky Harrison, the Chairman of the Education Committee, does not in fact return from her holiday until tomorrow.

My main purpose in writing to you, however, is to pass on the enclosed full text of the resolution adopted by Committee at its meeting on 26 September.

Yours sincerely
R G Morris

AMA EDUCATION COMMITTEE:

1. endorses the efforts of the negotiators at the July and September meetings of Burnham, and regrets that they did not produce an honourable settlement of the teachers' dispute;
2. recognises that the events of the past fortnight have created a new, alarming and potentially dangerous situation for the education service;
3. therefore supports the request made earlier this week for a meeting with TUC and urges an immediate response in the interest of thousands of union members whose jobs are potentially threatened;
4. fully endorses the request for a meeting with the Prime Minister and asks the Education Officer to communicate with her Private Office the fact that such initiative has the full support of the Education Committee, which demands an urgent and positive response in view of the Government's full responsibility for the present situation;
5. restates the absolute and overriding need for a new structure of teachers' salaries and other conditions of service, without which LEAs cannot meet their full responsibilities, and welcomes the fact that the teacher unions similarly recognise the need for structural reform.
6. The Committee, however, acknowledges the fact that the teachers' minimum demand is for a settlement to the 1985 pay dispute prior to reaching agreement on the longer-term, and Committee expresses a willingness to see its representatives negotiate on that basis. But the resources available to local government are such as to require substantial additional moneys from Government, together with relaxation of penalties and targets. The Committee therefore calls upon the teachers' leaders to join now the approach to the Prime Minister.

26 September 1985



File SH
(72)

10 DOWNING STREET

From the Principal Private Secretary

27 September 1985

The Prime Minister in her letter of 26 September to Mr. Pearman said that you had telephoned this office to say that the AMA Education Committee had endorsed Mr. Pearman's request for a meeting with the Prime Minister. We now know that this was not so and that the telephone call was not from you. Unfortunately, however, through a misunderstanding in this office, we wrongly told the Prime Minister that the call came from you, and she wrote accordingly. I do very much regret that this has happened and also want to apologise for any embarrassment it may have caused you.

(N. L. WICKS)

Councillor Mrs. Harrison

The Education Committee of the Association of Metropolitan Authorities at its meeting today fully endorsed the request for a meeting with the Prime Minister and asked the Education Officer to communicate to her Private Office the fact that such an initiative has the full support of the Education Committee which demands an urgent and positive response in view of the Government's full responsibility for the present situation.

Message to No 10 from Chairman
of Employers' Panel, 26/9/85.

Established that the phone call was
not from Mrs Hanson 27/9/85.

27/9

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10 DOWNING STREET

From the Private Secretary

26 September 1985

TEACHERS' PAY

BF // The timetable on teachers' pay is now pressing in. Provided of course it is not overtaken by events, the Prime Minister will no doubt wish - as we have discussed - to have a report by the weekend of 5/6 October on how this issue is to be handled at the Conservative Party Conference and after 11 October.

I am copying this letter of Richard Broadbent (Chief Secretary's Office, H.M. Treasury).

(David Norgrove)

Rob Smith, Esq.,
Department of Education and Science.

CONFIDENTIAL

26



10 DOWNING STREET

THE PRIME MINISTER

file
c. Rusbidge
DES
Langtry, DES
BT.
OL
Richard Broadbent
26 September 1985
HMT
TF

Dear Mr. Peaman

You asked in your letter of 23 September for a meeting to discuss the present dispute. Mrs Harrison telephoned my office today to say that the AMA Education Committee had now endorsed your request. It is not clear to me what advantage would be gained by our meeting at this stage: responsibility for reaching a settlement rests with the Burnham Committee, on which other parties are formally represented. I believe that the Burnham Management Panel should itself take stock of the situation. If as a result of that - or even in preparation for it - the Panel leaders or any employer group should wish to discuss matters with Sir Keith Joseph, I am sure that he would make himself immediately available. I do however wish to take this opportunity to comment on some of the issues you raise, to make plain (yet again) the Government's position.

I agree with you that the present dispute is doing very great damage to children's education. I also agree about the urgency of a settlement. I do not agree with your view that the employers have inadequate room for manoeuvre. Sir Keith Joseph's 5 August statement offered the prospect of an additional £1250 millions for teachers' pay over four years from next April. This is equivalent to 4 per cent on the

present paybill rising to 9 per cent by the fourth year. If a settlement on this basis is agreed, the extra resources will continue for future years, providing a permanent enhancement to teachers' pay in addition to the increases which will be negotiated annually for teachers from April next year onwards in the normal way.

As a result of the proposals made on 12 September all teachers would receive increases in April and November. Those at present on their scale maxima would get additional increases in either September or next March. The average end-of-year increase would be over 8 per cent. In addition one in five teachers would benefit substantially from the 70,000 promotions planned from September 1986. And all this would be on top of the normal increase to be negotiated from April 1986. All classroom teachers at present on Scale 1 or Scale 2 - even if they were not promoted - could look forward to £10,500 plus whatever is negotiated each year on pay. This is a generous offer by any standards.

These proposals would I believe bring substantial benefits to the education service, as well as significant improvements generally in teachers' pay and promotion prospects, both in the short-term and in the medium-term. They represent a massive further investment in education.

The conditions for this investment are well known to you. The country must receive from the teachers a clear commitment to the professional fulfilment of their duties; there must also be a pay system which offers relatively greater rewards to promoted teachers and to those holding senior leadership posts.

The Government has made it entirely clear throughout that its agreement to the additional expenditure on education is conditional, limited to the amount stated, and that the first step of implementation through next year's local authority expenditure and rate support grant processes requires an acceptable bargain to be reached by mid-October. 11 October

was the date offered to the employers in the early summer. That is not an arbitrary deadline. At about that time the Government must begin its final preparations for the Rate Support Grant settlement for next year, which acquires legal force if approved by Parliament. If the settlement that is agreed with the teachers does not deliver the much needed reforms against which the additional expenditure would be released from April 1986, it will have to be made solely in the light of the present financial position and prospects of local authorities.

I am sending a copy of this letter to Mrs Harrison and, because of the wide public interest in the matter, I am arranging for the text to be released to the press.

Yours sincerely

Raymond Walker

J.D. Pearman, Esq.



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

David Norgrove Esq
Private Secretary
10 Downing Street
London SW1

26 September 1985

Dear David

TEACHERS' PAY

Thank you for sending me a copy of the proposed final version of the Prime Minister's letter to Mr Pearman. I am afraid that Sir Keith Joseph does have to ask for two changes, for accuracy reasons and to avoid giving the teachers (or Mr Pearman) a peg on which to base a riposte.

The second half of the second paragraph needs to be amended to read:

"This is equivalent.... by the fourth year. ^A If a settlement on this basis is agreed, the extra resources will continue for future years, providing a permanent enhancement to teachers' pay, ^B in addition to the increases which will be negotiated annually for teachers from April next year onwards in the normal way."

(If we do not make this change then the "substantial increase.... for 1985/86" mentioned in the previous text has to be admitted to be 5.85%, not "over 8%", since some of the additional resources would be used to finance that difference due from 31 March 1986.)

The third paragraph needs to be amended to read:

^C As a result of the proposals made on 12 September all teachers would receive increases in April and November. Those at present on their scale maxima would get additional increases in either September or next March. The average end-of-year increase would be over 8%. In addition one in five ^{teachers} would benefit substantially from the 70,000 promotions planned from September 1986. And all this would be on top of the normal increase to be negotiated from April 1986. ^D Every classroom teacher at present on Scale 1 or Scale 2 could look forward to £10,500 ^{without promotion} plus whatever is negotiated each year on pay. This is a generous offer by any standards. ^{even though not promised}

(The £2000 18-month example quoted involves an early promotion from the present scale 1 to the new Senior Teacher grade. That

will be rare and such examples could lead to claims of exaggeration. "Generous" rather than "extremely generous" because of sensitivities as regards TSRB, police etc.)

These changes have been agreed at official level with the Treasury.

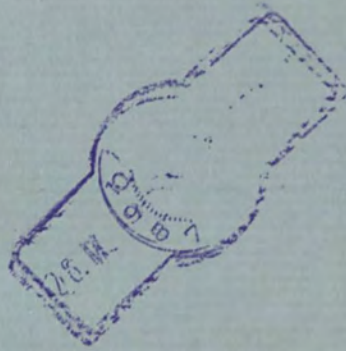
Sir Keith agrees that the letter should be made public as quickly as possible. He is appearing live on TV Eye this evening: will you please advise this office by about 7 pm what the position then is.

I am sending a copy of this letter to the Private Secretary to the Chancellor of the Exchequer.

Your sincerely

Alison Kennedy

PP R L SMITH
Private Secretary





HOUSE OF COMMONS
LONDON SW1A 0AA

To All Conservative MPs

26 September 1985

Dear Colleague -

I hope that you will be able to draw on my open letter in this Friday's Times Educational Supplement (copy of text attached) in continuing to make the Government case for the £1.25 billion offer to teachers.

As you will see, the general drift of my letter is that the Government wants better schools and higher standards; it is the pursuit of this prize which explains our willingness to see an extra £1.25 billion invested in the reform of the teachers' pay and career structure; there is real gain for all teachers in what is on offer (see the inset piece); and the alternative - more disruption to chase 1974 relativities - is as pointless as it will be fruitless.

I am also enclosing a table which provides a set of examples showing how individual teacher's pay will move if the offer were to be accepted.

We need to convince the ordinary teacher that he has nothing to fear and a good deal to gain from this offer. We also need to persuade parents and the general public that the teacher unions rejected a good offer.

I look forward to your continued support in getting this message across.

Yours ever,

Keith

I am grateful to the Times Education Supplement for asking me to contribute an open letter to teachers as my personal contribution to their 75th Anniversary Celebrations. Each week the TES does all of us in education a service by printing the facts and reporting a range of opinions on the issues of the day. I welcome this chance to explain some of my views to teachers and to other readers of the TES. Above all, I am grateful for the chance of setting out why I believe the dispute with the teachers' unions should be ended forthwith and how we can best accomplish this.

The Government intensely wishes to secure better schooling for children of all abilities. I am sure that teachers and their unions want that too.

Much has been achieved in recent years. We are introducing a single examination system at 16 plus which all candidates can face on equal terms in confident expectation that their individual abilities and achievements will be fairly recognised. Greater purposefulness is being injected into the initial training of teachers. We plan a new regime for in-service training which would establish the career development of individual teachers as a major part of the local management of schools, backed by direct Government grant. We are building bridges between school and work to prepare young adults better for the world of work. But when all is said and done, the key factor in raising educational standards has to be the experience, skills and professionalism of teachers.

The Government recognises that we can only expect to recruit, retain and motivate teachers of the right quality if they receive suitable pay along with proper arrangements for career development and opportunities for promotion. That is why the Government has offered £1250 million over 4 years from next April, on top of whatever is negotiated each year on pay, in return for acceptance by teachers of the full range of their professional duties and a shift towards better promotions for competence in the classroom.

The NUT rejected an offer by the Burnham Management Panel on this basis after just twenty minutes. Why?

The NUT slogan is "back to Houghton". But that would also be back to the 20% inflation which Houghton and similar awards helped unleash. Every other group would strive to return to its "best" year - its own "Houghton" - and the result would be endless leapfrogging, huge inflation, repeated erosions of "restored" pay levels and even more unemployment. The Houghton award was eaten away by inflation even before Labour lost office in 1979.

The NUT trumpet member support for a further escalation in disruptive action. But their ballot was mounted before the latest Burnham offer. Does the public believe that disruption should be escalated in the face of that offer? Do teachers themselves understand the detail of what is on offer? The offer has now been given extensive publicity and was printed in full in last week's TES. Let me pick out the highlights:

- higher starting salaries for new teachers (£7,035) with a reduced teaching load and better induction.
- better salaries and prospects for all teachers:-
 - . Every classroom teacher would look forward to £10,509 plus whatever is negotiated each year on pay
 - . Teachers now on scales 1 and 2 would have their maxima increased by 23% (scale 1) or 10% (scale 2) plus whatever is negotiated each year on pay.
 - . Some 53,000 of these teachers would be promoted to senior teacher with a maximum of £12,087, (41% and 26% above scale 1 and 2 maxima) plus whatever is negotiated each year on pay.
 - . Teachers now on scale 3 would have their maximum increased by 10% plus whatever is negotiated each year on pay.

- . Some 21,000 teachers would be promoted to principal teacher with a maximum of £14,658, (33% above the scale 3 maximum) plus whatever is negotiated each year on pay.
- . Teachers now on scale 4 and senior teachers would have their maxima increased by 19% and 9% respectively, plus whatever is negotiated each year on pay.

Some of these teachers working in the larger schools would be eligible for responsibility allowances of £500 or more.

- . Deputy heads would have their maxima range lifted by 24% to £12,087 in the smallest schools and by 17% to £19,461 in the largest schools, plus whatever is negotiated each year on pay.
 - . Heads would have their maxima range lifted by 19% to £12,714 in the smallest schools and by 18% to £26,994 in the largest schools, plus whatever is negotiated each year on pay.
- a more structured way of making promotions, including some 74,000 extra promotions generated by this package, with better, fairer appraisal and known criteria including additional responsibility, the availability of scarce skills, the individual school's special needs and effectiveness of performance.
 - appraisal for all to help the professional development of all teachers.
 - greater clarity and certainty about the scope of the teacher's job. This proposed definition excludes the supervision of pupils at midday, and offers separate contracts for volunteers undertaking this duty.

I cannot see in this the "worsening of conditions of service" claimed by some union negotiators. The proposed definition of the teacher's job is closely in line with the work long undertaken by teachers; only the proposed systematic arrangements for appraising performance are new. What I see here is a breakthrough in the promotion blockage caused by falling pupil numbers. I see better induction for newcomers and continued professional support for all serving teachers. And I see the opportunity for all teachers to have a midday break free of responsibility for pupils.

What is the alternative? The pursuit of some long-gone relativity cannot succeed. We will not go back to the destructive spiral of wage inflation. Continued disruption of schools is both wrong and pointless. Parents and children will not understand how teachers, normally a model for moderation and civilised values, can risk jeopardising children's futures. I do not believe that teachers want that any more than I do.

The Government's offer of an additional £1250 million is on the table, tied to acceptance of a bargain which will substantially improve our education service. We have to decide by mid-October whether or not to include the first tranche of £200 million for 1986/87 in local authority expenditure and the Rate Support Grant Report for next year. That money cannot be put into the process provisionally, and frozen pending an agreement, for there must soon be a decision by Parliament about local authority expenditure and entitlements for next year. Time is short.

I believe that some union leaders have got things badly wrong. I invite individual teachers, parents and the public at large - yes, and union leaders too - to address the proposals for a settlement on their merits. That must offer the best chance of securing the higher standards in schools that we all want.

SOME EXAMPLES OF NEW PAY RATES UNDER THE LATEST PROPOSALS

	(1) For all teachers			20% of the group
	Current Salary rate	Pay at 1 Nov 1985	Pay at 1 Nov 1986	Pay at 1 Nov 86 if promoted say at 1 Sept 86 *
New graduate entrant (Point 6 Scale 1)	6732	7278	7524	N/A
Top Scale 1	8556	9456	9774	10509
Mid-point Scale 2	7734	8292	8565	9123
Bottom Scale 3	7734	8292	9456	-
Top Scale 2	9597	10173	10509	11298
Top Scale 3	11031	11694	12087	13104
Top Scale 4	12363	13104	13740) At this
Top Senior Teacher	13395	14199	14658) level
Deputy Head (2) Group 2 primary	9753	10338	12087) each case
Head Teacher as above	11073	11736	13026) needs to be
Deputy, group 12 secondary (3)	15567	16500	18150) considered
Head Teacher as above	20706	21948	24363) separately

* Assuming continuation of existing promotion increase arrangements, ie 2 increments

Notes

- (1) All teachers in the various scales will benefit as in the first 3 columns. About 20% of each scale group may expect promotion as in the last column.
- (2) 50-100 pupils
- (3) eg 8FE comprehensive (1500 + pupils)

Educational
Teachers Pay





10 DOWNING STREET

Prime Minister

This includes changes
by the Treasury ~~and~~
and by me. They have not
been seen yet by Sir K
Joseph. He will see the
letter tomorrow.

→
Could you sign if you
agree with it? If Sir
K Joseph objects I may
need to put a further
version to you tomorrow
night, but it would be
best to try to get it out
tomorrow if we can.

DBS

25/9.

26/9/85

Not agreed by
JFS.
Revised version
to be submitted.



10 DOWNING STREET

THE PRIME MINISTER

Dear Mr. Peamar,

You asked in your letter of 23 September for a meeting to discuss the present dispute. I understand that since you wrote some question has arisen about whether the employers' leaders would wish for a meeting on the terms you suggest. Accordingly I do not offer a formal response to your request, though I do wish to take the opportunity to comment on some of the important issues you raise.

I agree with you that the present dispute is doing very great damage to children's education. I also agree about the urgency of a settlement. I do not agree with your view that the employers have inadequate room for manoeuvre. Sir Keith Joseph's 5 August statement offered the prospect of an additional £1250 millions for teachers' pay over four years from next April. This is equivalent to 4 per cent on the present paybill rising to 9 per cent by the fourth year. ~~and the extra resources will continue for future years, providing~~ a permanent enhancement to teachers' pay. They are in addition to the substantial increase that has already been offered for 1985-86. They are also in addition to the increases which will be negotiated annually for teachers from 1986-87 onwards in the normal way.

~~As a result of the proposals made on 12 September many teachers could expect to receive pay increases in April, September and November of this year and then to receive further increases as a result of one of the 70,000 promotions planned from September 1986. And this would be on top of the normal increase from April 1986. Even leaving the increase from April 1986 out of account, some junior teachers could~~

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expect to receive increases worth around £2,000 per year over an eighteen month period. This is extremely generous by any standards.

These proposals would I believe bring substantial benefits to the education service, as well as significant improvements generally in teachers' pay and promotion prospects, both in the short-term and in the medium-term. They represent a massive further investment in education.

The conditions for this investment are well known to you. The country must receive from the teachers a clear commitment to the professional fulfilment of their duties; there must also be a pay system which offers relatively greater rewards to promoted teachers and to those holding senior leadership posts.

The Government has made it entirely clear throughout that its agreement to the additional expenditure on education is conditional, limited to the amount stated, and that the first step of implementation through next year's local authority expenditure and rate support grant processes requires an acceptable bargain to be reached by mid-October. 11 October was the date offered to the employers in the early summer. That is not an arbitrary deadline. At about that time the Government must begin its final preparations for the Rate Support Grant settlement for next year, which acquires legal force if approved by Parliament.

Responsibility for reaching a settlement with the teachers rests with the Burnham Committee. If that settlement does not deliver the much needed reforms against which the additional expenditure would be released from April 1986, it will have to be made solely in the light of the present financial position and prospects of local authorities. I believe that the Burnham Management Panel should now take careful stock of the situation. If as a result they should wish to discuss matters with Sir Keith Joseph, I am sure he would make himself immediately available.

The announcement that you had written to me has attracted press interest. I am therefore arranging for the text of this letter to be released to the press.

Yours sincerely

Margaret Thatcher



10 DOWNING STREET

Pmie Ninkter

This may be overtaken
if the employees are now
sidng with the unions.
If the press tomorrow shows
this to be right, agree to
urge Sir K Joseph to bring
consideration of more radical
publicity, including adverts,
to speedy recommendation?

DLN

26/9.



ccpl

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

Article requested

FROM THE SECRETARY OF STATE

ms

26 September 1985

Dear Nigel,

TEACHERS' PAY

Private secretaries exchanged letters earlier this month on the publicity for the offer which the unions rejected on 12 September (David Norgrove's letters of 18 and 17 September, Rob Smith's of 13 September and Rachel Lomax's of 18 September).

My efforts since then have been directed towards trying to get the individual teacher to see what is in the offer for him or her. In speeches, interviews and articles Chris Patten and I have quoted bull examples and put pressure on the unions to let their members see copies of the offer in full. The TES printed the whole thing last week and this Friday they are to carry a 1,200 word open letter from me (copy attached). I have used a good portion of my allocation telling each group of teachers what they would get out of the deal and reminding each group in a refrain that all of this is on top of "normal" annual pay increases. I think it is these figures which provide our best leverage for persuasion, with the £1,250 million aggregate figure as telling confirmation of the Government's willingness to invest very big money in a deal on conditions that would secure better schools and higher standards.

For nearly two years now the unions' PR machines have been feeding their members the simple slogan "back to Houghton" with 33% increases for all. My open letter tries yet again to puncture the false and utterly unrealistic expectations generated by this propaganda but we have to face the fact that it has penetrated, with large numbers of teachers clearly unimpressed by an offer which would "restore" 9% over 4 years.

/I am

Chancellor of the Exchequer
HM Treasury
Parliament Street
LONDON SW1P 3AG

I am sending copies of the open letter to all our backbenchers (copy of covering letter attached) and it is being converted into a syndicated article for local newspapers. Chris Patten and I will continue to take every opportunity to state our case on television and radio and in the press.

Why
haven't it
already
been
done?

As for going beyond that and launching a national advertising campaign, I have put my officials on alert to do the necessary work. But I think that such a campaign would mark a new phase in the dispute. Today we still stand alongside the employers on the basis of an offer which we still hope to get the teachers and their unions to accept. We should not go it alone and allow Labour Councillors (and by extension the Opposition) the chance to distance themselves from an offer which they made, and the union leaders the opportunity to tell their members that even their own employers do not believe in the offer. It may be that we shall fail to sell the offer and our present unity with the employers will break down. Then I think we move to the business of persuading parents and the general public of the fairness of our case - a different audience requiring a different tone and message and perhaps most effectively reached through advertising. But we have not reached this stage yet.

Not use
ATA

The most likely (though still uncertain) next development is a stock-taking meeting of the management panel next week. I would like to see how the employers view the matter then before shifting from the current emphasis of trying to persuade the individual teacher.

I am sending a copy of this letter to the Prime Minister and Norman Tebbit.

Yours ever,
Kevin

EDUCATION P.T.S

Teachers Pay



Treasury Chambers, Parliament Street, SW1P 3AG

David Norgrove Esq
Private Secretary
10 Downing Street
London
SW1

25 September 1985

Dear David,

TEACHERS' PAY

I am responding to your request for comments on the draft reply to Mr Pearman.

We think that the draft is generally on the right lines but could do with some strengthening to bring home the generosity of the present offer. We also have three detailed comments to remove some slight ambiguities in the current draft which might possibly be used at a later date to argue that the letter meant something that it did not.

We think that the present draft could be strengthened in two places. We would delete the fifth sentence of paragraph 2 and insert as follows:

"This extra money is equivalent to 4 per cent on the present paybill rising to 9 per cent by the fourth year. These extra resources will continue for future years, providing a permanent enhancement to teachers' pay. They are in addition to the substantial increase that has already been offered for 1985-86. They are also in addition to the amounts that will be negotiated for annual increases which teachers will receive from 1986-87 onwards. This represents a massive commitment to education."

At the end of paragraph 3 we suggest inserting the following:

"As a result of this package many teachers could expect to receive pay increases in April, September, and November of this year and then receive a further increase as a result of one of the 70,000 promotions planned from September 1986. And this would be in addition to the normal increase from April 1986. Even if this last item is ignored some junior teachers could expect to receive increases worth around

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£2,000 per year over an 18 month period. By any standards this is extremely generous."

Turning to the more detailed points we think that the word "Government" should be deleted from line 9 of the second paragraph. This is to avoid giving the implication that the Government is providing all these extra resources. In fact, about half will come from the Government, through the operation of the RSG system, and half from the ratepayer. For the same reason we would like to see the second sentence of the fifth paragraph redrafted as follows:

"If that settlement does not deliver the much needed reforms against which the additional expenditure would be released from April 1986, then that settlement will have to be made in the light of the present financial position and prospects of local authorities."

Finally, we would propose deleting all of the fourth paragraph from, "and establishes local authority entitlements" onwards. This is to preserve the position in case the Government subsequently decides to vary the 1986-87 RSG settlement by Order.

DES officials have been informed of these comments at working level and I am copying this letter to Rob Smith in DES.

Yours Sincerely,
Paul Legler
R J BROADBENT

CONFIDENTIAL



EA

10 DOWNING STREET

From the Private Secretary

25 September 1985

Dear Rob,

TEACHERS' PAY

Here is the revised letter to Mr. Pearman. It is going in for the Prime Minister's signature tonight, subject to any changes Sir Keith Joseph may wish to propose. The reason for handling it this way is, as you know, to try to ensure publication as quickly as possible.

I am copying this letter to Richard Broadbent (Chief Secretary's Office, H.M. Treasury).

Yours sincerely,
David

(David Norgrove)

Rob Smith, Esq.,
Department of Education and Science.

EA



10 DOWNING STREET

From the Private Secretary

25 September 1985

Dear Rachel,

TEACHERS' PAY

You will wish to see the enclosed letter from the Vice-Chairman of the Management Panel, and the draft reply.

BF | Could I have any comments please by close of play today, in order that the draft can go into the Prime Minister tonight? If you have any comments of substance, it would be helpful if these could be discussed with DES first.

David

David

(DAVID NORGROVE)

Mrs Rachel Lomax
HM Treasury.

010



CC HMT
BI

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Mark Addison Esq
10 Downing Street
LONDON SW1 OAA

24 September 1985

Dear Mark,

TEACHERS' PAY

Mr J D Pearman, Vice-Chairman of the Management Panel of the Burnham Primary and Secondary Committee, wrote to the Prime Minister on 23 September asking for an urgent meeting about this dispute, to be held soon after the return of the Chairman, Mrs Nicky Harrison, next weekend. He claimed to be writing on behalf of Mrs Harrison as well as himself, but did not claim other local authority or association backing. The letter was sent from his private address. He has now been repudiated in substantial measure by the AMA and ACC leaders, currently attending a conference in Rio de Janeiro. When they heard of his letter, Mr Prendergast, Chairman of LACSAB and one of three deputy chairmen of the AMA, instructed LACSAB to ask your office to take no action until they would have a chance to consider the terms of any possible meeting, stating that Mr Prendergast, Mr Layden (AMA Chairman), Mr Lovell (ACC Chairman) and Mrs Harrison would want to attend. We understand that Mr Lovell and Mr Layden are fully associated with Mr Prendergast's intervention.

Mr Pearman's letter has induced much press speculation. Sir Keith Joseph thinks that the Prime Minister should acknowledge its receipt, note that circumstances have changed since it was written but take the opportunity to put the Government's position on the record yet again. Your Press Office might brief journalists about the employers' intervention in this matter, thus allowing them to follow up Mr Pearman's maverick behaviour. He suggests that the Prime Minister might herself wish to sign the letter, partly because that would give maximum exposure to the employers' reactions to Mr Pearman's behaviour, and partly because Mr Pearman might seek to make mischief out of a Private Secretary reply.

The expected next step in the Burnham negotiating process must be a stocktaking meeting of the management panel, possibly followed by a meeting of the panel leaders with the Secretary of State. Sir Keith is always ready to meet the employers' leaders at very short notice if they so request.

A draft letter is attached. A second copy should be sent to Mr B J Rusbridge at the Local Authorities Conditions of Service Advisory Board, 41 Belgrave Square, London SW1X 8NZ, with his office telephoned (235 6081) to say that the letter is a copy and that it should be held for hand delivery to Mr Pearman on appearance at LACSAB, rather than be forwarded to his home address.

Yours sincerely,
Rob

R L Smith
Private Secretary

DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO MR J D PEARMAN

(attached to D.F.S. letter
of 24/9)

TEACHERS' PAY

You asked in
Thank you for your letter of 23 September ^{for} requesting a meeting to discuss the current dispute. I understand that since you wrote some question has arisen ^{about} as to whether the employers' leaders would wish for ^{such} a meeting on the terms you suggest. Accordingly I do not offer a formal response to your request, though I ^{do} would wish to take the opportunity to comment on ^{some of the} important issues ^{you raise.} associated with the content of your letter.

I agree with you that the present dispute is doing very great damage to children's education, ^{I also agree} and about the urgency of a settlement. ^{But I do not agree with} But I must take issue with your view that the employers ^{do not} have adequate room for manoeuvre. Sir Keith Joseph's 5 August statement offering the prospect of an additional £1250 millions for teachers' pay over 4 years from next April, ^{this would} be over and above what is negotiated for annual pay increases, and it represents a massive ^{Government} commitment by the Government to education. The conditions for that investment are well known to you. The country must receive from the teachers a clear commitment to the professional fulfilment of their duties; we must also have a pay system which offers relatively greater rewards to promoted teachers and ^{to} those holding senior leadership posts.

The proposals made to the teachers on 12 September would bring substantial benefits to the education service, as well as significant improvements generally in teachers' pay and promotion prospects, both in the short-term and in the medium-term.

The Government has made it ^{quite} fully clear throughout that its agreement to this additional expenditure on education is conditional, limited to the amount stated, and that the first step of implementation through next year's local authority

expenditure and rate support grant processes requires an acceptable bargain to be reached by mid-October. 11 October was the date offered to the employers in the early summer. That is not an arbitrary deadline. At about that time the Government must begin its final preparations for the Rate Support Grant settlement for next year. If approved by Parliament that acquires legal force and establishes local authority entitlements. There is therefore no possibility of making a provisional addition, in the hope or expectation of an acceptable settlement.

Responsibility for reaching a settlement rests with the Burnham Committee. If that settlement does not deliver the much-needed reforms against which the Government would be willing to release additional expenditure from April 1986, then that settlement will have to be made in the light of the present financial position and prospects of local authorities. I believe that the Burnham Management Panel should now take careful stock of the situation. If as a result they should wish to discuss matters with Sir Keith Joseph, ~~then~~ I am sure ~~that~~ he would make himself immediately available.

The announcement that you had written to me has attracted press interest. I am therefore arranging for the text of this letter to be released to the press.

0924 271347

23 Hall Cliffe Grove
Horbury
WAKEFIELD

23 September 1985

Rt Hon Mrs Margaret Thatcher MP
Prime Minister
10 Downing Street
LONDON SW1

Dear Prime Minister

In the temporary absence of the Chairman of the Management Panel of the Burnham Primary & Secondary Committee, I am writing on her behalf (as well as on mine, as Vice-Chairman) to ask if you would agree to meet some leading representatives of the employers to discuss the problems raised by the dispute with the teachers and the urgency of securing a solution.

The Management Panel unanimously resolved to offer the teachers a package which took full advantage of the additional resources which the Secretary of State for Education and Science indicated that the Government would approve if there were sufficient progress towards a structure of reforms in teachers' salaries and other conditions of service. Sir Keith Joseph has of course made it perfectly clear that, for new resources in 1986/87, there is a deadline imposed by the rate support grant settlement. The deadline which he has given is 11 October. The Chairman and Leader of the Panel has already asked him for additional financial support this year, flexibility over the 11 October deadline, greater long-term resources and sufficient funding to produce a solution to the problem of midday supervision in schools. He was not able to offer hope of a positive response, though I understand that officials are looking into some slight movement of the RSG deadline.

The teachers' sense of injustice and their perception that the resources are simply not available to produce a level of remuneration which fits the full professional job which Management requires of them have exacerbated industrial action in schools up and down the country, with more than a threat to working relationships, the quality of education and the good conduct of pupils, especially at midday. In this exceptionally difficult situation, local education authorities feel that they are being backed up against a wall of the Government's own construction. As employers, we find our room for manoeuvre almost totally constrained, and yet the LEAs have the clearest of all pictures of the detriment to young people, their parents, manual workers in schools and the teachers themselves.

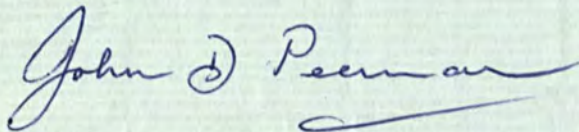
CC HMT
BT

Councillor Mrs Nicky Harrison CBE (the Chairman of the Panel) is coming back from a short break abroad next weekend. After that, she and I, together with possibly one or two colleague senior elected members, would make ourselves available to see you at any time. This would be an important part of our effort to lose no opportunity of bringing an end to the present problems in our schools. After the most recent meeting of the Burnham Committee, Mrs Harrison saw both Sir Keith Joseph and the Chairman of ACAS. ACAS is using its good offices to try to take forward the process of conciliation which started in the spring. I have written to the General Secretary of the TUC, to see if we can arrange a meeting to explore any possible way out of the present dispute. We have, of course, kept all member local education authorities fully in the picture on such progress as has been possible in the national negotiations, and we are doing all we can, for our part, to see that the media are fully briefed on what is on offer to the teachers and what is at stake.

But the Government has a substantial responsibility in all this, too, and my colleagues and I need to talk to you about the dangerous polarization of a dispute which threatens education in literally every school in the country.

Please accept this letter, therefore, as an appeal for an urgent meeting. Your office can contact me at my home address, as given in this letter, but I expect to be back in London by tomorrow evening, and will be there for the next few days. I can most easily be contacted by a telephone message to the Local Authorities Conditions of Service Advisory Board at 235 6081.

Yours sincerely

A handwritten signature in blue ink that reads "John D. Pearman". The signature is written in a cursive style with a long, sweeping underline.

JOHN D PEARMAN



CEOL/PW*DW (1/1)**NRP at this stage.**DLN**19/9.*

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

Rob Smith Esq
Private Secretary to
the Secretary of State
Department of Education and Science

18 September 1985

*Dear Rob,**Attached***TEACHERS' PAY**

The Chancellor has seen your letter to David Norgrove of 13 September and David Norgrove's reply of 17 September, recording the Prime Minister's views.

He strongly agrees with the Prime Minister that the Government needs to do more, and quickly, to publicise the value of the package on offer to the teachers: £1½ billion over 4 years (equivalent to 4 per cent on the pay bill rising to 9 per cent on the pay bill), plus continuation into future years, plus a substantial increase for 1985-86, plus the "normal" increases which teachers will receive in 1986-87 onwards, all in return for acceptance of the sort of conditions which most people think the teachers ought to meet anyway. This all adds up to an unbelievably generous package which must be got across directly to teachers in the classrooms and, almost as important, to the parents and the public. The Chancellor fears that we are failing to do this at present.

On direct communication, the Chancellor understands that it would not be possible to write to teachers individually because you do not have their addresses and we could not rely on local authorities to deliver. But would it not be possible to address letters directly to staff in each school? School governors could be covered in the same way. We need to stress just what the offer means to individual teachers. Some of the proposed scale improvements are quite striking. (It may also be worth making the point that, since the great bulk of the 1985-86 increase is backdated to 1 April, teachers must have at least six months back pay to come, which for those at the bottom end of the scale means a gross lump amount, by the time the sums are paid, of over £250, and for those at the top of over £500.)



As to the Press, there are obviously several possibilities. The Chancellor suggests that your Secretary of State might write again to Government backbenchers providing them this time with a short and clear summary of the salient points which they could place as an article in their local Press or use in speeches. Alternatively, perhaps with COI advice and assistance, a standard article could be distributed to the local Press direct. An article could be placed in the national Press and the Times Educational Supplement setting out the facts of this offer and its size. And to reach the public more widely, as well as the teachers, it might be worth considering direct advertising in the national Press. The Chancellor appreciates that the local authority employers' side may not be much help in all this, but given where we have got to, he is not sure how much that matters. It is, after all, the Government which is making available these very large additional sums.

In the Chancellor's view, the important thing is to get the facts across and to set them against the teachers' irresponsible continuation of their industrial action.

The Chancellor was rather concerned by the reference to midday supervision in your Secretary of State's letter to backbenchers. Ministers agreed in July that the aim of the new system was to make it impossible, without a breach of contract, for teachers to disrupt schooling by failing to provide lunch time supervision. The Chancellor sees this as a crucial part of the package and thinks it needs to be made crystal clear.

I am copying this letter to David Norgrove (Number 10).

Yours ever
Rachel

RACHEL LOMAX
Principal Private Secretary

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FILE

29

10 DOWNING STREET

From the Private Secretary

17 September, 1985

TEACHERS' PAY

The Prime Minister has seen your letter to me of 13 September. She is very concerned that despite the publicity efforts you describe, the scale of the offer of £1½ billion has not got across to the teachers. She believes strongly that every possible effort must be made to achieve this. The Prime Minister looks forward to seeing the results of your consideration on the questions of advertising and letters to all teachers (your penultimate paragraph).

I am copying this letter to Rachel Lomax (HM Treasury).

(David Norgrove)

R. Smith, Esq.,
Department of Education and Science

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cc/bl
Mr Nargrove



Reference No: E0102

MR ROBERTS

Mr Unwin

DR

TEACHERS' PAY

Mr Langtry (DES) gave me the following account of developments on 12 and 13 September.

(i) The terms of the Management Side's Offer

The Management Side did not go beyond the terms of the offer we saw last week, as slightly amended in discussion with the Treasury. Contrary to the impressions some of the trade union leaders sought to give, there was no increase in the pay offer for the current year. It appears that the independent Chairman asked the trade union side whether they would negotiate on the package if the current year's offer was increased to nearer the April 1985 rate of inflation; the NUT refused. They were then asked whether they would negotiate on the rest of the package if the offer for the current year were increased to 6.9 per cent; after a good deal of temporising, Mr Jarvis eventually rejected this as well in the full Committee. The Management Side at no point gave the independent Chairman any reason to suppose that they were ready to increase the current year's offer; and the local authorities appeared to realise clearly that they cannot afford any settlement which might be available unless they can get their hands on the £1.25 billion held out by the Government.

(ii) Following the failure of the Burnham Meeting, Mrs Harrison, Leader of the Local Authority Employers, asked the Education Secretary whether the Government would relax the conditions attached to the £1.25 billion, or postpone the 11 October deadline. The Education Secretary

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refused, as she expected, but then discussed privately the RSG timetable which underlies the 11 October deadline. If events moved so that there appeared to be a chance of a settlement within, say, 10 days of the present deadline, it is hard to see that the Government could reject this.

(iii) Next Steps

Following her meeting with the Education Secretary, and a discussion with ACAS, Mrs Harrison has gone on 2 weeks holiday. The Education Secretary is in New York until 19 September. Next week a substantial proportion of the local authority employers' group is said to be on a junket to Rio. No significant moves are therefore likely before the end of this month. For the time being the tactics are to encourage the publication of the Management Side's offer, and to see how public opinion reacts to this. It is far from clear that the teachers' unions will be able to maintain their present stance, and hold on to public sympathy, once it is generally understood what they have rejected without discussion. DES seem reasonably confident that the local authority employers will stick by the package; Mrs Harrison has effectively precluded the possibility of any concessions being offered in her absence.

(iv) The Government's Tactics

The DES view is that the Government should not attempt at this stage to assume the main responsibility for selling the Management Side's offer. They are not in the driving seat in the negotiations, and the local authority employers might well be glad of any pretext to fall out with the Government. DES therefore prefer to leave it to the Local Education Authorities to inform their teachers of the contents of the package, and to make the case for it. The Conservative Party at local level will, however, be encouraged to do whatever it can to reinforce this process.

2. It seems clear that urgent Ministerial meetings are unlikely to be required over the next two weeks, and that we shall have

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to reconcile ourselves to some degree of continuing disruption. With luck, public opinion should move against the NUT hardline; and the other unions will need to reassess their attitude to the NUT, against the prospect that once the NUT lose their Burnham majority, they will have to assume a responsibility for the outcome of negotiations which they have never had before.

JW

A J WIGGINS

16 September, 1985



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Chancellor of the Exchequer
HM Treasury
Parliament Street
London SW1P 3AG

13 September 1985

Dear Chancellor,

At yesterday's meeting of the Burnham Primary and Secondary Committee the teachers unanimously rejected the package constructed upon our £1,250 million and tabled in the attached paper.** The talks broke down when the teachers' spokesman said in answer to a question from the Chairman that they would not have been willing to address the structural reforms (para 7 onwards of the paper) even if the 1985/86 figures (para ~~6~~ i, ii and iii) had amounted to 6.9%. No offer of such an increase was made yesterday and, in view of a possible press tendency to talk of 6.9% as the "latest offer" it is important to note that the teachers' spokesman himself said on the verbatim record that no such offer had been made.

Throughout the day my representatives reminded the employers of the integral nature of the proposals in their paper and the employers were left in no doubt of the consequences of substantial amendment. I was able to make this plain direct to the leader of the management panel, Mrs Harrison, when we met this morning.

She sought, and I refused, an adjustment in the 1986-87 expenditure baseline (before any addition arising from our 5 August initiative is applied), so as to allow an increase in this year's offer. I repeated that £1,250 million was our ceiling, that the October deadline stood, and that parts of the package (she had in mind midday supervision) could not be taken out and dealt with separately. She has relayed those answers to the media, as I expected.

You will have seen today's press reaction to the teachers' Burnham performance. I think we must keep up the pressure by drawing out the desirable features of the package and emphasising the teachers' utterly negative stance in refusing to address it. I have given press, radio and TV interviews today and I am sending immediately to all our MPs and supporters through Central Office material which they may use in supporting our case.*

* copy attached

** Annex A of attachment

I am sending copies of this letter to the Prime Minister, members of E(PSP), the Secretaries of State for Scotland, Wales and Northern Ireland, Norman Tebbit and Sir Robert Armstrong.

yours sincerely

Robert Smith

(Agreed by the Secretary of State and signed in his absence).



HOUSE OF COMMONS
LONDON SW1A 0AA

To All Conservative MPs

13 September 1985

Dear Colleague.

I wrote to you on 6 September reporting developments on the teachers' pay dispute. This letter is to bring you up to date following the Burnham Committee meeting yesterday.

As you will have seen in the press, the unions rejected a new offer and announced that disruption of children's education will be continued. The improved package - which I had welcomed as a very constructive attempt to bring together the employers' own restructuring ambitions and the Government's conditions for increased expenditure on teachers' pay - is set out in full in the paper at Annex A to this letter. It provided an increase averaging nearly 6% over this year and worth over 8% by the year end, coupled with substantially improved promotion opportunities and increased differentials for the most senior teachers, and heads and deputies. The teachers' panel rejected it after 20 minutes consideration, refusing even to consider the detail of what was on offer, or negotiate upon it. Their leader made clear that even if the package had incorporated increases averaging 6.9% for this year - and he noted on the verbatim record that no such offer had been made - the unions would still not be prepared to discuss the structural reforms and the definition of teachers' duties.

I have today issued a press statement in reaction to the breakdown of negotiations, and a copy of this is also attached (Annex B). No doubt you will wish to make use of that in responding to teachers and parents in your constituency. You will also wish to highlight the substantial additional expenditure - £1,250 million - which was offered conditionally on an agreement and the major benefits



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LONDON SW1A 0AA

the package would bring:

- taking into account increments of around 3%, rises by the end of the year totalling at least 9% for all assistant teachers;
- rises by the end of the year for the lowest paid teachers of nearly 10% without taking account of increments;
- more than 50,000 extra promotions for teachers on scales 1 and 2, and more than 20,000 extra for those already on higher scales: overall some 20% of teachers other than heads and deputies could expect to be promoted to higher scales;
- better rewards for senior teachers, heads and deputies;
- extra resources to clear up the mess of lunchtime supervision, so freeing teachers from this responsibility or paying them separately if they are willing to undertake it;
- a clear definition of teachers' duties - duties which ordinary conscientious teachers accept as standard anyway;
- better induction for new teachers and a lightened teaching load in their first year;
- appraisal for all to help professional development and to inform promotion decisions.

In short, the Government and employers joined together to offer a package which would put significantly more money into teachers' pay packets and substantially improve their prospects of promotion to higher pay scales. In doing so it would provide substantial



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LONDON SW1A 0AA

progress towards the Government's objectives for better schools. Everyone must regret that the unions refuse to consider this and threaten to plunge our schools into renewed chaos. I hope you will do all you can to publicise locally the true situation and to make teachers and parents aware of the contents of the package on offer.

Yours ever,

Kevin

P&S Committee
11th September 1985

MANAGEMENT PANEL PROPOSALS FOR IMPROVED
 PAY AND CAREER STRUCTURE

1. The Management Panel submits the following set of proposals in an earnest attempt to resolve the current dispute in the interests of the profession itself, local education authorities and, not least, pupils and parents.
2. The Secretary of State's conditional offer to release additional resources of £200 million in 1986/87 rising to £450 million by 1989/90 has made it possible to put forward new proposals, but financial constraints continue to mean that the improvements we are offering will need to be phased over a period.
3. The Secretary of State's proposal to increase the total of LEA expenditure on which rate support grant would be paid in 1986/87 is dependent upon satisfactory progress being achieved by October 11th towards an agreement which meets the government's objectives. The Management Panel feel that it is essential that this offer is grasped so that additional money can find its way into teachers' pockets next year and that the opportunity can be taken of improving career structure and promotion prospects of teachers.
4. The proposals now put forward therefore form a total package which needs to be considered as a whole.

CURRENT SALARIES

5. The first stage in the Management Panel's package is for an offer as follows:-

	<u>Paybill</u>		<u>Increase for</u>	
	<u>Cost</u> <u>1985/86</u>	<u>Cost</u> <u>1986/87</u>	<u>Individual Teacher</u> <u>Highest</u>	<u>Lowest</u>
(i) From 1st April 1985 an increase of £480 or 5% on all scale points and allowances (except London and Social Priority Allowances)	5.43	5.43	8.82	5.00
(ii) From 1st September 1985 the merger of Scale 1 and 2 on the understanding that scale 1 teachers would be expected to undertake the duties of teachers currently on scale 2	-	-	4.09	3.65

	Paybill		Increase for	
	Cost 1985/86	Cost 1986/87	Individual Highest	Teacher Lowest
(iii) From 1st November 1985 a further 1% increase (on the base) on all salary points	0.42	1%	1%	1%
(iv) From 31st March 1986 all teachers on their salary maximum to receive an additional increment. (Teachers on scale 1 will benefit from the merger of scales 1/2 and will not be affected.)	5.85	6.43	4.9	3.4
TOTAL	5.85	8.08		

6. Clearly, the cost of the additional increment takes up part of the additional resources for 1986/87 earmarked by the Secretary of State.

MIDDAY SUPERVISION

7. An additional call on these resources from 1986/87 is to deal with the supervision of pupils during the midday break. The Management Panel has asked the local authority Associations to consider a scheme to enhance the support available to headteachers during the midday break. This will involve payments to teachers, or others, undertaking these duties on separate contracts.

IMPROVEMENTS IN THE CAREER STRUCTURE AND PROMOTION PROSPECTS OF TEACHERS

8. The Management Panel also propose significant improvements to the career structure from September 1986.
9. The Management Panel has designed the following set of proposals drawing on the common understanding of the professional role of teachers in schools. It has taken into account the criticisms and shortcomings of the existing arrangements and built on its strengths. This has had to be done bearing in mind the financial limits set by the Secretary of State.
10. Within these limits the Management Panel has been able to put forward significantly improved promotion opportunities for teachers. These promotions will be used to meet a variety of criteria and will include: rewarding those undertaking additional responsibilities; recognising that the school's curricular requirements call for a greater input of skills and experience which are in short supply; acknowledging that the schools location places special demands on the teachers or where the exceptional performance of the teacher's duties call for additional recognition.
11. The acceptance of a systematic system of appraisal should enhance teaching quality and the professional development of all teachers. In addition the outcomes of appraisal should be directly relevant when judgements are made about promotion. These proposals are put forward in the expectation that all parties will co-operate in the development of a scheme of appraisal. An early start would be needed to make a worthwhile contribution to a national framework for appraisal within which LEAs would develop their own schemes.

12. All the salary figures that follow reflect the employers' offer for improvements in current salaries set out in paragraph 6. The comparative figures are shown in Appendix I.

Entry Grade £7035 to £7278 (points 5 and 6 of Scale 1)

13. All newly appointed teachers will serve two years on this grade. During this time, their performance will be appraised. Provided that they satisfy the criteria for transfer, they will move to the Teacher Grade. During the first year on the grade the teaching load will be reduced to 90% of the normal load in the school.
14. All such teachers will receive counselling, support and induction to afford every opportunity to attain the standard necessary to progress their career.
15. Further development of the Entry Grade arrangements will be needed in discussion with the Teachers.
16. The starting salary matches that currently paid to graduates but additional salary arrangements might be needed for mature entrants.

Teacher Grade £8037 to £10,509 (point 9 of scale 1 to point 7 of scale 3)

17. All teachers currently being paid below the grade minimum will be lifted to that point by the time the first EG teachers arrive there, other teachers will transfer on their existing point. This will benefit teachers on the lower points and give increases up to 14.0% in some cases in the first year.
18. Teachers will be expected to undertake the following duties based on a contractual provision common to all teachers on this grade:-

Pupils

1. teach assigned classes
2. take an appropriate share of collective staff responsibility to cover the classes of absent colleagues
3. plan, prepare, evaluate and review personal teaching methods and programmes in accordance with education authority and school policies
4. take an appropriate share of collective responsibility to supervise pupils on arrival at and departure from school and during the school day, including before and after the midday break
5. mark, record and report on pupils' work (including homework) and progress in accordance with education authority and school policies
6. provide guidance and counsel on educational, social and career matters in accordance with education authority and school pastoral and counselling policies

Parents

7. consult and liaise with parents, attending meetings arranged for the purpose

Curriculum and Examinations

8. take part in arrangements for presenting pupils in public examinations

9. contribute to the preparation and development of courses of study and teaching materials in response to change in public examinations and assessment procedures and in accordance with education authority and school curricular policies

Staff Matters

10. take part in performance appraisal in accordance with education authority arrangements
11. take part in courses of in-service training and other schemes of professional development
12. take an appropriate share of collective staff responsibility for the professional development of colleagues, including new entrants to teaching
13. attend staff meetings

General

14. carry out such other related duties and responsibilities at the school as may be reasonably allocated, as need arises, by the head.

Senior Teacher Grade £9456 to £12,087 (point 4 of scale 3 to point 6 of scale 4)

19. In addition to those of the Teacher Grade, duties of the Senior Teacher Grade would include:-
 - (a) Acting as a curricular consultant throughout the school.
 - (b) Taking a leading professional role in the review, development and management of assigned curricular, pastoral or organisational activities.
 - (c) Acting as a mentor to newly appointed teachers.
 - (d) Taking responsibility for the school in the brief absence of the head where there are no posts above senior teacher.
20. This promotion post would be available in schools in the ratio of one senior teacher grade for every two posts on teacher grade (including entry grade) with a detailed formula to be worked out.
21. In all but the smallest primary schools, 67% of teachers would be on the teacher grade and 33% on the senior teacher grade. Achieving this proportion would give promotions to 30,000 teachers currently on scales 1 and 2.
22. In the majority of secondary schools, 25% of teachers would be on this grade and lead to promotions for 23,000 teachers in those schools who are currently on scales 1 and 2.
23. This grade would accommodate those teachers on scale 3 who were not promoted to Principal Teacher Grade. Those on the lower points would benefit from being assimilated to the new minimum.

Principal Teacher Grade £11,298 to £14,658 (point 4 of scale 4 to max.
of senior teacher plus one increment)

24. In addition to the duties set out for other grades, Principal Teachers would duties would include being accountable for:-

supervising, directing, monitoring and appraising the performance of a group of teachers including observing lessons and scrutiny of schemes of work.

25. Such posts would only be established in schools in Group 8 and above. They would be introduced on a sliding scale so that in the average size of secondary school one post in every four will be on this grade. The Management Panel would wish to retain discretion for authorities to exceed the national provision in this respect.

26. The proposals provide for the promotion of some 21,000 teachers as well as for the movement of teachers on the lower points of scale 4 to the new minimum point.

ADDITIONAL ALLOWANCES

27. Even with the changes introduced there will be other specific management duties to be undertaken. These duties will vary in their nature and duration, some may be continuing, others may be completed in a term or year, depending on the circumstances of each school. It is felt to be necessary to set a minimum figure on each allowance and to set a limit to the total expenditure available in each school.

28. It is suggested that the minimum allowances should be set at £500 and be available only in schools in group 8 and above in the following annual amounts:-

Group 8	-	£1,000
Groups 9 & 10	-	£1,500
Groups 11 & 12	-	£2,000
Groups 13 & 14	-	£2,500

29. LEAs would have discretion to appoint Senior Teachers, Principal Teachers and to pay the allowances in paragraph 29 beyond the limits referred to.

30. These allowances would be paid to senior or principal teachers as determined by the authority.

Review of Age Weighting System

31. The Management Panel has been critical of the effect of the existing age weighting system and intends to review this in the near future. There is concern at the effect of the current system on both Primary and Secondary schools. The proposals below are based on the existing system.

DEPUTY HEADS

32. The post and title is retained and differentials improved to produce the following salary levels. These have been phased over two years in the case of Groups 5 to 10 and are based on existing age weightings.

	<u>Proposed Salary Maxima from</u>		<u>Management Panel's increased offer</u>
	<u>1.9.86</u>	<u>1.9.87</u>	<u>from 1.9.86 over scale maxima at</u> <u>1.11.85</u>
	£	£	%
1&2	12,087		16.9
3	12,189		17.9
4	12,300		10.7
5	12,633	12,900	6.2
6	13,167	13,400	7.9
7	14,199	14,400	10.5
8	14,922	15,100	11.0
9	15,433	15,600	9.0
10	16,266	16,400	8.5
11	17,247		10.0
12	18,150		10.0
13	18,669		10.0
14	19,461		10.0

HEADS

33. For head teachers the Management Panel propose to adjust existing pay differentials to recognise the new tasks that will be expected of head teachers.

<u>Group</u>	<u>Proposed Salary Maxima</u>	<u>Management Panel's increased offer</u>
	<u>from 1.9.86</u>	<u>from 1.9.86 over scale maxima at</u> <u>1.11.85</u>
	£	%
1	12,714	12.6
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4	14,571	11.0
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SPECIAL SCHOOLS

34. These proposals cover the majority of teachers in maintained schools but do not cover the arrangements for special schools. The Management Panel expects the same principles to be applied to special schools.

13/9/DOC

SALARY SCALES REFLECTING
EMPLOYERS' OFFER

APPENDIX 1

Scale Point Existing Salary Increase of £480/5% + 1%

●	5442	5976
1	5694	6231
2	5883	6423
3	6072	6612
4	6252	6795
5	6489	7035
6	6732	7278
7	6975	7524
8	7230	7782
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21	11403	12087
22	11931	12648
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24	12963	13740
25	13395	14199
26	N/A	14658

NEW STRUCTURE
FROM 1.9.86

(This does not take into account the salary increase payable from 1.4.86).

£ increase %inc.

534	9.81
537	9.43
540	9.18
540	8.89
543	8.69
546	8.41
546	8.11
549	7.87
552	7.63
555	7.42
558	7.21
561	7.01
564	6.81
567	6.63
570	6.41
573	6.23
576	6.00
594	5.99
618	6.01
639	5.99
663	6.01
684	6.00
717	6.01
741	5.99
777	5.99
804	6.00
N/A	N/A

ENTRY
GRADE

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Deputy Heads Teachers Scale maximum at Offer Level.

<u>Group</u>	<u>Current maximum</u>	<u>Maximum with 6% Increase</u>
	£	£
Below 4	9,753	10,338
4	10,482	11,112
5	11,223	11,895
6	11,514	12,204
7	12,123	12,849
8	12,681	13,443
9	13,356	14,157
10	14,142	14,991
11	14,790	15,678
12	15,567	16,500
13	16,011	16,971
14	16,689	17,691

Head Teachers Scale Maximum at Offer Level

<u>Group</u>	<u>Current Maximum</u>	<u>Maximum with 6% increase</u>
	£	£
1	10,653	11,292
2	11,073	11,736
3	11,535	12,228
4	12,384	13,128
5	13,317	14,115
6	14,184	15,036
7	14,979	15,879
8	15,963	16,920
9	17,112	18,138
10	18,141	19,230
11	19,509	20,679
12	20,706	21,948
13	21,756	23,061
14	22,941	24,318



DEPARTMENT OF
EDUCATION AND SCIENCE

Elizabeth House York Road London SE1 7PH
Telephone 01-934 9880 (24hrs) Telex 23171

Annex B

NEWS

PRESS STATEMENT

13.9.85

The Secretary of State issued the following statement today:

"Everyone must regret that yesterday's meeting of the Burnham Committee did not bring about a solution to the harmful and long-running teachers' pay dispute. The package tabled by the management side was a bold initiative, constructed upon the Government's willingness to see an extra £1,250 million applied to teachers' pay over the next four years, and designed to bring about fundamental and desirable changes in the outdated system which now governs the appointment, career development and promotion of teachers and the management of schools. A great deal was contained in the offer:

- . better induction for new entrants, reduced load, more structured help
- . appraisal for all to help professional development and to inform promotion decisions
- . far more promotions - an extra 70,000 or one-fifth of all scale teachers - opening up the promotion blockage caused by falling pupil numbers
- . better opportunities for rewarding excellence and skills in short supply
- . better rewards for those responsible for running the schools - heads and deputies

Taken together, the package offers immediate and important gains for large numbers; it enhances prospects for all. It would mean a significant boost to the education service's efforts to recruit, retain and motivate the good quality people needed to teach in schools with higher and improving standards.

This would be good news for the country and especially for parents. The set of duties listed in the offer contains nothing which the ordinary, conscientious teacher does not already do. Why then object to it? We need changes which will allow heads to run their schools without any of the uncertainty which so afflicts the everyday operations of the schools at the moment. We all need to be certain that cover will be provided, that parent meetings will be held etc etc. There is nothing unfair about this but the leaders of the NUT persist in labelling it as "worsening conditions of service".

The offer would also clear up the difficulties we now have about midday supervision. We are willing to see teachers and others paid separately for this - it would no longer be a part of the teachers' professional range of duties. This again would be good news for parents whose working and social lives have been so disrupted by the refusal of teachers to help heads supervise at midday.

Yesterday the teachers said "no" to all of this. They took very little time to come to that decision. Now it is time for reflection. I hope that the union leaders will reflect very carefully on the management's package. I do not think that the public will understand continued negative thinking and resumed disruptive action. The Government's willingness to see £1,250 million additional expenditure provides a great opportunity for progress; the teachers should think very hard about what their leaders are at the moment rejecting.



DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

David Norgrove Esq
Private Secretary
No 10 Downing Street
London SW1

Prime Minister. ②

Documents from DES
reflecting current
state of play.

MEB 13/9

Sub
Plan in 'piece' of
where efforts the
offer of £1.25 billion
has not

13 September 1985

*for access
mt.*

Dear David,

Thank you for your letter of today's date about publicity for the offer the teachers' unions rejected in Burnham yesterday.

The Secretary of State has today given interviews to education correspondents of the national daily papers, and followed this up with a formal press release (copy attached). He has also given two interviews for use on BBC radio over the weekend, and is giving an interview to ITN later this evening; and he has had a separate interview with Sunday newspaper correspondents. In all this he had been at pains to publicise the benefits of the package for teachers and pupils and to protect the Government's position on finance.

The management panel document which sets out the package is today being distributed by the employers' secretariat to all local education authorities, and we know already that some will be sending it direct to all their schools. The document is also going today to all Conservative MPs, under cover of a letter from the Secretary of State bringing them up to date with developments. A copy of this is also attached. Finally, the Secretary of State is seeking a talk with Stuart McClure, Editor of TES, to encourage him to carry as full a summary as possible on the - rather long - document.

DES confirm that they are actively considering this.

The questions of advertising and letters to all teachers have been under consideration for some time. Neither is a straight-forward issue and we must consider further who might advertise or write, and when, given that the local education authorities are the employers.

You asked on the telephone for a report on the present position on the dispute, and on the Secretary of State's meeting with Mrs Harrison this morning. This is contained in the Secretary of State's letter to the Chancellor (copied to the Prime Minister, but a further copy is attached for ease of reference).

A copy of this letter goes to Rachel Howax - **Flag A.**

Yours sincerely,
Rob

R L SMITH
Private Secretary



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DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Chancellor of the Exchequer
HM Treasury
Parliament Street
London SW1P 3AG

13 September 1985

Dear Chancellor,

At yesterday's meeting of the Burnham Primary and Secondary Committee the teachers unanimously rejected the package constructed upon our £1,250 million and tabled in the attached paper.** The talks broke down when the teachers' spokesman said in answer to a question from the Chairman that they would not have been willing to address the structural reforms (para 7 onwards of the paper) even if the 1985/86 figures (para ~~6~~i, ii and iii) had amounted to 6.9%. No offer of such an increase was made yesterday and, in view of a possible press tendency to talk of 6.9% as the "latest offer" it is important to note that the teachers' spokesman himself said on the verbatim record that no such offer had been made.

Throughout the day my representatives reminded the employers of the integral nature of the proposals in their paper and the employers were left in no doubt of the consequences of substantial amendment. I was able to make this plain direct to the leader of the management panel, Mrs Harrison, when we met this morning.

She sought, and I refused, an adjustment in the 1986-87 expenditure baseline (before any addition arising from our 5 August initiative is applied), so as to allow an increase in this year's offer. I repeated that £1,250 million was our ceiling, that the October deadline stood, and that parts of the package (she had in mind midday supervision) could not be taken out and dealt with separately. She has relayed those answers to the media, as I expected.

You will have seen today's press reaction to the teachers' Burnham performance. I think we must keep up the pressure by drawing out the desirable features of the package and emphasising the teachers' utterly negative stance in refusing to address it. I have given press, radio and TV interviews today and I am sending immediately to all our MPs and supporters through Central Office material which they may use in supporting our case.*

* copy attached

** Annex A of attachment

I am sending copies of this letter to the Prime Minister, members of E(PSP), the Secretaries of State for Scotland, Wales and Northern Ireland, Norman Tebbit and Sir Robert Armstrong.

yours sincerely

Robert Smith

(Agreed by the Secretary of State and signed in his absence).



HOUSE OF COMMONS
LONDON SW1A 0AA

To All Conservative MPs

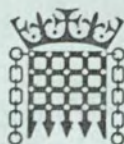
13 September 1985

Dear Colleague.

I wrote to you on 6 September reporting developments on the teachers' pay dispute. This letter is to bring you up to date following the Burnham Committee meeting yesterday.

As you will have seen in the press, the unions rejected a new offer and announced that disruption of children's education will be continued. The improved package - which I had welcomed as a very constructive attempt to bring together the employers' own restructuring ambitions and the Government's conditions for increased expenditure on teachers' pay - is set out in full in the paper at Annex A to this letter. It provided an increase averaging nearly 6% over this year and worth over 8% by the year end, coupled with substantially improved promotion opportunities and increased differentials for the most senior teachers, and heads and deputies. The teachers' panel rejected it after 20 minutes consideration, refusing even to consider the detail of what was on offer, or negotiate upon it. Their leader made clear that even if the package had incorporated increases averaging 6.9% for this year - and he noted on the verbatim record that no such offer had been made - the unions would still not be prepared to discuss the structural reforms and the definition of teachers' duties.

I have today issued a press statement in reaction to the breakdown of negotiations, and a copy of this is also attached (Annex B). No doubt you will wish to make use of that in responding to teachers and parents in your constituency. You will also wish to highlight the substantial additional expenditure - £1,250 million - which was offered conditionally on an agreement and the major benefits



HOUSE OF COMMONS
LONDON SW1A 0AA

the package would bring:

- taking into account increments of around 3%, rises by the end of the year totalling at least 9% for all assistant teachers;
- rises by the end of the year for the lowest paid teachers of nearly 10% without taking account of increments;
- more than 50,000 extra promotions for teachers on scales 1 and 2, and more than 20,000 extra for those already on higher scales: overall some 20% of teachers other than heads and deputies could expect to be promoted to higher scales;
- better rewards for senior teachers, heads and deputies;
- extra resources to clear up the mess of lunchtime supervision, so freeing teachers from this responsibility or paying them separately if they are willing to undertake it;
- a clear definition of teachers' duties - duties which ordinary conscientious teachers accept as standard anyway;
- better induction for new teachers and a lightened teaching load in their first year;
- appraisal for all to help professional development and to inform promotion decisions.

In short, the Government and employers joined together to offer a package which would put significantly more money into teachers' pay packets and substantially improve their prospects of promotion to higher pay scales. In doing so it would provide substantial



HOUSE OF COMMONS
LONDON SW1A 0AA

progress towards the Government's objectives for better schools. Everyone must regret that the unions refuse to consider this and threaten to plunge our schools into renewed chaos. I hope you will do all you can to publicise locally the true situation and to make teachers and parents aware of the contents of the package on offer.

Yours ever,

Kevin

P&S Committee
12th September 1985

MANAGEMENT PANEL PROPOSALS FOR IMPROVED
 PAY AND CAREER STRUCTURE

1. The Management Panel submits the following set of proposals in an earnest attempt to resolve the current dispute in the interests of the profession itself, local education authorities and, not least, pupils and parents.
2. The Secretary of State's conditional offer to release additional resources of £200 million in 1986/87 rising to £450 million by 1989/90 has made it possible to put forward new proposals, but financial constraints continue to mean that the improvements we are offering will need to be phased over a period.
3. The Secretary of State's proposal to increase the total of LEA expenditure on which rate support grant would be paid in 1986/87 is dependent upon satisfactory progress being achieved by October 11th towards an agreement which meets the government's objectives. The Management Panel feel that it is essential that this offer is grasped so that additional money can find its way into teachers' pockets next year and that the opportunity can be taken of improving career structure and promotion prospects of teachers.
4. The proposals now put forward therefore form a total package which needs to be considered as a whole.

CURRENT SALARIES

5. The first stage in the Management Panel's package is for an offer as follows:-

	<u>Paybill</u>		<u>Increase for</u>	
	<u>Cost</u> <u>1985/86</u>	<u>Cost</u> <u>1986/87</u>	<u>Individual Teacher</u> <u>Highest</u>	<u>Lowest</u>
(i) <u>From 1st April 1985</u> an increase of £480 or 5% on all scale points and allowances (except London and Social Priority Allowances)	5.43	5.43	8.82	5.00
(ii) <u>From 1st September 1985</u> the merger of Scale 1 and 2 on the understanding that scale 1 teachers would be expected to undertake the duties of teachers currently on scale 2	-	-	4.09	3.65

	<u>Paybill</u>		<u>Increase for</u>	
	<u>Cost</u> <u>1985/86</u>	<u>Cost</u> <u>1986/87</u>	<u>Individual Teacher</u> <u>Highest</u>	<u>Lowest</u>
(iii) From 1st November 1985 a further 1% increase (on the base) on all salary points	0.42	1%	1%	1%
(iv) From 31st March 1986 all teachers on their salary maximum to receive an additional increment. (Teachers on scale 1 will benefit from the merger of scales 1/2 and will not be affected.)	5.85	6.43	4.9	3.4
TOTAL	5.85	8.08		

6. Clearly, the cost of the additional increment takes up part of the additional resources for 1986/87 earmarked by the Secretary of State.

MIDDAY SUPERVISION

7. An additional call on these resources from 1986/87 is to deal with the supervision of pupils during the midday break. The Management Panel has asked the local authority Associations to consider a scheme to enhance the support available to headteachers during the midday break. This will involve payments to teachers, or others, undertaking these duties on separate contracts.

IMPROVEMENTS IN THE CAREER STRUCTURE AND PROMOTION PROSPECTS OF TEACHERS

8. The Management Panel also propose significant improvements to the career structure from September 1986.
9. The Management Panel has designed the following set of proposals drawing on the common understanding of the professional role of teachers in schools. It has taken into account the criticisms and shortcomings of the existing arrangements and built on its strengths. This has had to be done bearing in mind the financial limits set by the Secretary of State.
10. Within these limits the Management Panel has been able to put forward significantly improved promotion opportunities for teachers. These promotions will be used to meet a variety of criteria and will include: rewarding those undertaking additional responsibilities; recognising that the school's curricular requirements call for a greater input of skills and experience which are in short supply; acknowledging that the schools location places special demands on the teachers or where the exceptional performance of the teacher's duties call for additional recognition.
11. The acceptance of a systematic system of appraisal should enhance teaching quality and the professional development of all teachers. In addition the outcomes of appraisal should be directly relevant when judgements are made about promotion. These proposals are put forward in the expectation that all parties will co-operate in the development of a scheme of appraisal. An early start would be needed to make a worthwhile contribution to a national framework for appraisal within which LEAs would develop their own schemes.

12. All the salary figures that follow reflect the employers' offer for improvements in current salaries set out in paragraph 6. The comparative figures are shown in Appendix I.

Entry Grade £7035 to £7278 (points 5 and 6 of Scale 1)

13. All newly appointed teachers will serve two years on this grade. During this time, their performance will be appraised. Provided that they satisfy the criteria for transfer, they will move to the Teacher Grade. During the first year on the grade the teaching load will be reduced to 90% of the normal load in the school.
14. All such teachers will receive counselling, support and induction to afford every opportunity to attain the standard necessary to progress their career.
15. Further development of the Entry Grade arrangements will be needed in discussion with the Teachers.
16. The starting salary matches that currently paid to graduates but additional salary arrangements might be needed for mature entrants.

Teacher Grade £8037 to £10,509 (point 9 of scale 1 to point 7 of scale 3)

17. All teachers currently being paid below the grade minimum will be lifted to that point by the time the first EG teachers arrive there, other teachers will transfer on their existing point. This will benefit teachers on the lower points and give increases up to 14.0% in some cases in the first year.
18. Teachers will be expected to undertake the following duties based on a contractual provision common to all teachers on this grade:-

Pupils

1. teach assigned classes
2. take an appropriate share of collective staff responsibility to cover the classes of absent colleagues
3. plan, prepare, evaluate and review personal teaching methods and programmes in accordance with education authority and school policies
4. take an appropriate share of collective responsibility to supervise pupils on arrival at and departure from school and during the school day, including before and after the midday break
5. mark, record and report on pupils' work (including homework) and progress in accordance with education authority and school policies
6. provide guidance and counsel on educational, social and career matters in accordance with education authority and school pastoral and counselling policies

Parents

7. consult and liaise with parents, attending meetings arranged for the purpose

Curriculum and Examinations

8. take part in arrangements for presenting pupils in public examinations

9. contribute to the preparation and development of courses of study and teaching materials in response to change in public examinations and assessment procedures and in accordance with education authority and school curricular policies

Staff Matters

10. take part in performance appraisal in accordance with education authority arrangements
11. take part in courses of in-service training and other schemes of professional development
12. take an appropriate share of collective staff responsibility for the professional development of colleagues, including new entrants to teaching
13. attend staff meetings

General

14. carry out such other related duties and responsibilities at the school as may be reasonably allocated, as need arises, by the head.

Senior Teacher Grade £9456 to £12,087 (point 4 of scale 3 to point 6 of scale 4)

19. In addition to those of the Teacher Grade, duties of the Senior Teacher Grade would include:-
 - (a) Acting as a curricular consultant throughout the school.
 - (b) Taking a leading professional role in the review, development and management of assigned curricular, pastoral or organisational activities.
 - (c) Acting as a mentor to newly appointed teachers.
 - (d) Taking responsibility for the school in the brief absence of the head where there are no posts above senior teacher.
20. This promotion post would be available in schools in the ratio of one senior teacher grade for every two posts on teacher grade (including entry grade) with a detailed formula to be worked out.
21. In all but the smallest primary schools, 67% of teachers would be on the teacher grade and 33% on the senior teacher grade. Achieving this proportion would give promotions to 30,000 teachers currently on scales 1 and 2.
22. In the majority of secondary schools, 25% of teachers would be on this grade and lead to promotions for 23,000 teachers in those schools who are currently on scales 1 and 2.
23. This grade would accommodate those teachers on scale 3 who were not promoted to Principal Teacher Grade. Those on the lower points would benefit from being assimilated to the new minimum.

Principal Teacher Grade £11,298 to £14,658 (point 4 of scale 4 to max.
of senior teacher plus one increment)

24. In addition to the duties set out for other grades, Principal Teachers would duties would include being accountable for:-

supervising, directing, monitoring and appraising the performance of a group of teachers including observing lessons and scrutiny of schemes of work.

25. Such posts would only be established in schools in Group 8 and above. They would be introduced on a sliding scale so that in the average size of secondary school one post in every four will be on this grade. The Management Panel would wish to retain discretion for authorities to exceed the national provision in this respect.

26. The proposals provide for the promotion of some 21,000 teachers as well as for the movement of teachers on the lower points of scale 4 to the new minimum point.

ADDITIONAL ALLOWANCES

27. Even with the changes introduced there will be other specific management duties to be undertaken. These duties will vary in their nature and duration, some may be continuing, others may be completed in a term or year, depending on the circumstances of each school. It is felt to be necessary to set a minimum figure on each allowance and to set a limit to the total expenditure available in each school.

28. It is suggested that the minimum allowances should be set at £500 and be available only in schools in group 8 and above in the following annual amounts:-

Group 8	-	£1,000
Groups 9 & 10	-	£1,500
Groups 11 & 12	-	£2,000
Groups 13 & 14	-	£2,500

29. LEAs would have discretion to appoint Senior Teachers, Principal Teachers and to pay the allowances in paragraph 29 beyond the limits referred to.

30. These allowances would be paid to senior or principal teachers as determined by the authority.

Review of Age Weighting System

31. The Management Panel has been critical of the effect of the existing age weighting system and intends to review this in the near future. There is concern at the effect of the current system on both Primary and Secondary schools. The proposals below are based on the existing system.

DEPUTY HEADS

32. The post and title is retained and differentials improved to produce the following salary levels. These have been phased over two years in the case of Groups 5 to 10 and are based on existing age weightings.

	<u>Proposed Salary Maxima from</u>		<u>Management Panel's increased offer</u>
	<u>1.9.86</u>	<u>1.9.87</u>	<u>from 1.9.86 over scale maxima at</u> <u>1.11.85</u>
	£	£	%
1&2	12,087		16.9
3	12,189		17.9
4	12,300		10.7
5	12,633	12,900	6.2
6	13,167	13,400	7.9
7	14,199	14,400	10.5
8	14,922	15,100	11.0
9	15,433	15,600	9.0
10	16,266	16,400	8.5
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12	18,150		10.0
13	18,669		10.0
14	19,461		10.0

HEADS

33. For head teachers the Management Panel propose to adjust existing pay differentials to recognise the new tasks that will be expected of head teachers.

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552	7.63
555	7.42
558	7.21
561	7.01
564	6.81
567	6.63
570	6.41
573	6.23
576	6.00
594	5.99
618	6.01
639	5.99
663	6.01
684	6.00
717	6.01
741	5.99
777	5.99
804	6.00
N/A	N/A

ENTRY
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Deputy Heads Teachers Scale maximum at Offer Level.

<u>Group</u>	<u>Current maximum</u>	<u>Maximum with 6% Increase</u>
	£	£
Below 4	9,753	10,338
4	10,482	11,112
5	11,223	11,895
6	11,514	12,204
7	12,123	12,849
8	12,681	13,443
9	13,356	14,157
10	14,142	14,991
11	14,790	15,678
12	15,567	16,500
13	16,011	16,971
14	16,689	17,691

Head Teachers Scale Maximum at Offer Level

<u>Group</u>	<u>Current Maximum</u>	<u>Maximum with 6% increase</u>
	£	£
1	10,653	11,292
2	11,073	11,736
3	11,535	12,228
4	12,384	13,128
5	13,317	14,115
6	14,184	15,036
7	14,979	15,879
8	15,963	16,920
9	17,112	18,138
10	18,141	19,230
11	19,509	20,679
12	20,706	21,948
13	21,756	23,061
14	22,941	24,318



DEPARTMENT OF
EDUCATION AND SCIENCE

Elizabeth House York Road London SE1 7PH
Telephone 01-934 9880 (24hrs) Telex 23171

Annex B

NEWS

13.9.85

PRESS STATEMENT

The Secretary of State issued the following statement today:

"Everyone must regret that yesterday's meeting of the Burnham Committee did not bring about a solution to the harmful and long-running teachers' pay dispute. The package tabled by the management side was a bold initiative, constructed upon the Government's willingness to see an extra £1,250 million applied to teachers' pay over the next four years, and designed to bring about fundamental and desirable changes in the outdated system which now governs the appointment, career development and promotion of teachers and the management of schools. A great deal was contained in the offer:

- . better induction for new entrants, reduced load, more structured help
- . appraisal for all to help professional development and to inform promotion decisions
- . far more promotions - an extra 70,000 or one-fifth of all scale teachers - opening up the promotion blockage caused by falling pupil numbers
- . better opportunities for rewarding excellence and skills in short supply
- . better rewards for those responsible for running the schools - heads and deputies

Taken together, the package offers immediate and important gains for large numbers; it enhances prospects for all. It would mean a significant boost to the education service's efforts to recruit, retain and motivate the good quality people needed to teach in schools with higher and improving standards.

This would be good news for the country and especially for parents. The set of duties listed in the offer contains nothing which the ordinary, conscientious teacher does not already do. Why then object to it? We need changes which will allow heads to run their schools without any of the uncertainty which so afflicts the everyday operations of the schools at the moment. We all need to be certain that cover will be provided, that parent meetings will be held etc etc. There is nothing unfair about this but the leaders of the NUT persist in labelling it as "worsening conditions of service".

The offer would also clear up the difficulties we now have about midday supervision. We are willing to see teachers and others paid separately for this - it would no longer be a part of the teachers' professional range of duties. This again would be good news for parents whose working and social lives have been so disrupted by the refusal of teachers to help heads supervise at midday.

Yesterday the teachers said "no" to all of this. They took very little time to come to that decision. Now it is time for reflection. I hope that the union leaders will reflect very carefully on the management's package. I do not think that the public will understand continued negative thinking and resumed disruptive action. The Government's willingness to see £1,250 million additional expenditure provides a great opportunity for progress; the teachers should think very hard about what their leaders are at the moment rejecting.



file

27

10 DOWNING STREET

From the Private Secretary

13 September, 1985

TEACHER'S PAY

The Prime Minister is concerned that the scale of the present offer to teachers is not understood by them. She has asked if your Secretary of State could consider how best the offer might be put across. Two obvious possibilities are to take advertisements in the national press and/or to write directly to all teachers.

If something along these lines seems useful in principle it will also be necessary to consider when best to do it.

The Prime Minister is away next week. Could I please therefore have an assessment, however brief, by close of business today?

Rachel Lomas, Ch. Sec.

I am copying this letter to Richard Broadbent (Chief Secretary's Office).

(David Norgrove)

I. Hughes, Esq.,
Department of Education and Science.

EST

PRIME MINISTER

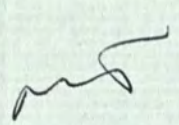
TEACHERS' PAY

I have been told by DES that the teachers pay negotiations broke down at 2115 hours. The breaking point came when the teachers said that even if the offer for 1985-86 was raised to the amount necessary to cover what they see as the rate of inflation this year (in their minds, 6.9 per cent), they would still not be prepared to discuss the structural changes.

When the teachers said that, the Chairman of the Management Panel concluded with the agreement of the rest of the Management Panel that there was no point in continuing.

The Chairman of the Management Panel, Mrs. Harrison, has asked formally to see Sir Keith Joseph at 1130 tomorrow, and Sir Keith is returning from Stafford for this.

DES promise a full report after that meeting.



David Norgrove

12 September 1985



Department of Education and Science

Elizabeth House York Road London SE17PH

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Telex 23171

CCPW

pa

E P Kemp Esq
HM Treasury
Parliament Street
London SW1P 3AG

12 September 1985

*Probably. But I agreed with
Jan Hughes at DES immediately after
Dear Peter, the PT's conversation the
points that needed to be
emphasized to the management panel. JAN 12/9*

TEACHERS' PAY

This to report on yesterday's proceedings, following our telephone conversation last night, David Norgrove's calls to me and Private Office here and my unsuccessful attempts to debrief to Peter Warry and John Gilhooly. For completeness I should say that David's letter concerning the Prime Minister's telephone conversation with my Secretary of State reached me only after the meeting, though John Gilhooly's letter did arrive by hand in mid-meeting.

I enclose a copy of the statement read in yesterday's panel meeting. That will appear in the minutes as delivered and will provide us with a reference point for the future, if need be. Proceedings of the panel are declared to be confidential to members, though the rule is not always observed. The substance of the statement and the fact that it was made yesterday may have to become public if the negotiations drag on.

Further to this formal statement, I asked in full panel for the deletion of paragraphs 13 and 2b from any written statement that might be given to the teachers today. That request was remitted for later consideration by the chairman and her immediate advisers. At that stage I pressed very strongly, on the grounds that the words might be misinterpreted to imply that there was room for movement, where what was intended was development of detail; and that they implied spending in year 1 above the £200m figure specified by the Government. I hope for success on the first point at least: on the second, the employers point out that the position as described is in accord with their position in other negotiations, arbitrations etc. I made clear the Government's wish to see the package made to fit the additional expenditure figures agreed conditionally by the Government; said that they could not expect any relaxation in the rules governing local authority expenditure and emphasised that, in particular, there could be no question of any excess carrying weight in any future discussions about local authority expenditure levels. On presentation of the offer, I pressed for description in the terms preferred by the Chief Secretary. The employers are well aware of the presentational angles, having to look across to their other local authority negotiations. But they point out that the description of figures must inevitably be shaded a little when presenting an offer as compared with describing a settlement in its least damaging terms. However, I do assure you that our point is well taken.

The employers agreed yesterday to present the teachers with a conditional offer as in paragraph 6 of the text already circulated. The condition is that they accept the rest of the package as described in that text. There is no adjustment to the content of that package or suggestion that the costs might be increased in negotiation. The panel chairman is quite clear that if the package is substantially modified the Government's current acceptance falls.

I am inviting Private Office here to send a copy of this letter and enclosure to David Norgrove. Also, I will ensure that he and you/John Gilhooly are briefed on today's events - tonight if the session finishes at any reasonable hour, otherwise first thing tomorrow morning.

Yours sincerely

Jan

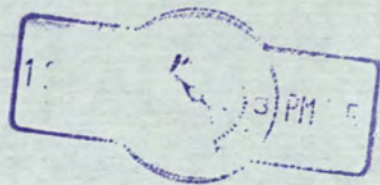
J I LANGTRY

*[Copied also to
Richard Broadbent]*

TEACHERS' PAY

"The Secretary of State regards this package as a very constructive attempt to bring together the employers' long-standing restructuring ambitions and the Government's 21 May and 5 August conditions for an increase in educational expenditure to allow for such restructuring over a period of time. The Government regards reform of teachers' pay and conditions as an important objective and hopes that worthwhile change can be agreed on the basis of the present package. There are points of detail in the proposals which I am instructed to pursue in any subsequent polishing stages by officials, but those reservations are not fundamental and I am authorised to say that if this package is adopted by the employers today and accepted by the teachers tomorrow then the Government will agree to additional expenditure from April 1986, up to but not exceeding the sums set out in the Secretary of State's 5 August statement. Those imply a 4-year total not exceeding £1250 million. The panel will understand that the Government would expect all elements of the bargain to be delivered in practice. If there were default, then the expenditure addition would be at risk. The panel should also understand that the Government's willingness to see matters go forward on the basis of this package depends on its not being substantially amended.

I say all this so that there may be on the record a complete and precise expression of the Government's position. The central message is that a bargain done on the terms set out in this document would release the additional resources as indicated. May I ask please, Madam Chairman, that this statement be recorded verbatim in the minutes?"



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CC 100



Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Sir Keith Joseph Bt MP
 Secretary of State for Education
 Department of Education and Science
 Elizabeth House
 York Road
 London
 SE1 7PH

Pamie Pivster

2
 Damage limitation,
 emphasising many of the
 points you made to Sir K.J.

ms

DES
 11/9.

Dear Secretary of State

11 September 1985

TEACHERS' PAY

I thought it would be helpful if I wrote recording what we agreed earlier today on the issues discussed in your letter of 9 September to the Chancellor.

in PM box?

First, the educational merits of the package which the Management Panel put forward are, we agreed, a matter for you. But there is a presentational point in which we both have an interest, and on which we are both agreed. To justify releasing the large amounts of additional money which we have conditionally offered for the teachers, the package needs to be presented as a major advance in the direction of the desirable reforms you have been pressing for in the structure of the teaching profession.

Second, it is important that the additional finance involved should be clearly seen to be limited to the amount offered in your statement of 5 August and thereafter. In particular, it is important that the amount on offer over the four years should be limited to £1.25 billion and that we emphasise repeatedly that we are in no way relaxing control of public expenditure or over local authority finances. And we must also understand that this is in reality the case. Otherwise we should have been seen to crumble in the face of pressure from the unions' industrial action.

I am grateful therefore, that your officials were making it clear on the record at this afternoon's Management Panel meeting, that the Government would be agreeing to no more than the additional expenditure implied by its earlier statements, and that was on the understanding

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that there would be no substantial change to the package. It is also important that your representatives left the employers in no doubt that there could be no subsequent "back door" additions via future decisions on RSG. Your representatives were to seek to get deleted paragraphs 2(b) and 13 of the Management Panel's paper.

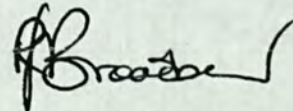
Your representatives are of course also making it clear that release of the funds depends not just on the Management Panel adopting the package on the table but also on its acceptance tomorrow by the teachers. The Government's position depends on this.

Finally, there is the important presentational point that, as we discussed, as far as possible the increase above 6.43 per cent received by teachers should be explained by the restructuring, not the 1985-86 pay increase. The presentation in the Management Panel's paper gave a full year increase of 8.08 per cent for the 1985-86 settlement. At a minimum, we should insist on the 1.65 per cent increase at paragraph 6(iv) of the paper being counted for this purpose as the first step in the transition to the new salary structure. We would all, I know, be greatly concerned about the repercussions for pay elsewhere of letting the teachers seem to have achieved a settlement above 8 per cent through a guerilla campaign of selective industrial action carried out at minimal cost.

My officials have been in touch with yours about the exact wording of the statement your representatives would make this afternoon.

I have copied this letter to the Prime Minister, members of E(PSP), the Secretaries of State for Scotland, Wales and Northern Ireland and Sir Robert Armstrong.

Yours sincerely



for JOHN MacGREGOR

[Approved by the Chief Secretary]

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10 DOWNING STREET

11 September 1985

From the Private Secretary

TEACHERS' PAY

The Prime Minister and your Secretary of State today discussed very briefly by telephone the proposals set out in the attachment to your Secretary of State's letter to the Chancellor of 9 September.

It was agreed that the Government members of the management panel could endorse the proposals provided it was made absolutely clear that

- (i) the Government was willing to provide no more than £1¹/₄ billion over four years;
- (ii) the provision of this amount was conditional on the teachers' agreement to the proposed description of their responsibilities and to performance assessment;
- (iii) the provision of money would be subject at each stage to review of how far the Government's objectives were being met;
- (iv) the Government had no intention of relaxing in any way its control of public expenditure and its policies for and restrictions on rates and rate support grant.

I am copying this letter to Richard Broadbent (Chief Secretary's Office, H.M. Treasury).

(David Norgrove)

Ian Hughes, Esq.,
Department of Education and Science.

Do



Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213 6460

Switchboard 01-213 3000

*Pamie Pinker 2
To note that
Lord Young supported
by Keith.*

*JRS
11/9.*

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
HM Treasury
Great George Street
LONDON SW1

11 September 1985

[Handwritten mark]

[Handwritten signature: Nigel]

TEACHERS' PAY

with DN/Am Box?

I have seen Keith Joseph's letter to you of 9 September, and am persuaded by his arguments that the Government should accept the package prepared by the employers. I fear that if we do not do so we shall be faced either with another breakdown in talks, for which we shall take the blame, or, possibly, by a short term deal, divorced from reform, which would secure none of our longer term objectives, and which would be damagingly repercussive.

If a deal can be obtained on the basis of the employers' package, it will of course be important to present the outcome in a way that will minimize the repercussions; and to emphasize the long term improvements, including better assessment procedures and tighter contracts, that will have been secured.

Copies of this letter go to the Prime Minister, Keith Joseph, other members of E(PSP), the Secretaries of State for Scotland, Wales and Northern Ireland, and Sir Robert Armstrong.

[Handwritten signature: Pauline]



PRIME MINISTER

TEACHERS' PAY

The news is that the Management Panel agreed to put the package to the unions tomorrow broadly as summarised in the minute you saw from me yesterday. DES assure me that the Government's position is fully on the record. A detailed report will be coming over tomorrow. DES have behaved badly in their reporting on this and I have told them so very clearly.

DES

(David Norgrove)

11 September 1985

CONFIDENTIAL

Reference No: E 097

MR UNWIN

cc Mr Roberts
Mr Norgrove, No 10.



TEACHERS' PAY

It may be worth recording some further information I obtained yesterday from Mr Langtry, Head of the Teachers' Branch at DES.

Cost of the Management Side's Proposed Offer

2. LACSAB put the cost of the restructuring elements in the proposed offer at £229 million in 1986/87 and £305 million in 1987/88. DES, who have done a more sophisticated calculation, put the costs for the four years starting in 1986/87 at £220 million, £328 million, £378 million and £409 million respectively. These figures include £40 million a year for the extra costs of lunch-time supervision. The Government's offer was expressed as '£1 1/4 billion over 4 years', and further explained as £200 million in the first year rising by equal instalments to £450 million in the fourth year. £200 million rising by equal instalments to £450 million in the fourth year actually cumulates over 4 years to £1.3 billion. The cost of the Management Side offer is thus less than contemplated by DES in the final year, but the cumulative cost over the 4 years is £35 million more than a generous interpretation of what the Education Secretary had in mind.

Pay of Teachers on Scales 1 and 2

3. The diagram of salary scales attached to the Management Side's offer conveys the impression that there would be a big pay increase for teachers in the lower part of Scale 1. This is misleading; graduates entering the profession now start on

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the fifth point of Scale 1, while good honours graduates start on point 7. The effect of the proposals will actually be somewhat to depress the relative starting salary of good honours graduates, but the proposed Teacher Grade will automatically take those who pass probation 4 increments beyond the present Scale 1 maximum (and 1 increment beyond the present Scale 2 maximum - this latter point is the effect of the proposed additional increment for all teachers on the top of their scales payable as from 31 March, 1986). The amalgamation of Scales 1 and 2 is shown as having no net cost; DES say that this is broadly correct, since teachers currently promoted from Scale 1 to Scale 2 receive 2 increments, and this will no longer happen as teachers in future move up a continuous scale.

Distribution of the Benefit of Pay Restructuring

4. DES have calculated that the benefit of the pay restructuring element in the package (ie. excluding the cost of lunch-time supervision) will be distributed as follows:

	<u>1986-87</u>	<u>1987-88</u>
	%	%
Heads, Deputies and additional allowances	24	30
Senior and Principal Teachers	26	32
Additional increment on Scales 2 and above	44	31
Entry Grade	6	7

The entry grade costs result from the 10 per cent time allowance for training, which requires the employment of further teachers to cover the time entry grade teachers are allowed out of the class-room. Given that 1/3rd of the benefit of the additional increment will go to teachers on Scale 3 and above, DES calculate that in 1987/88 70 per cent of the benefit of the pay restructuring will go to senior teachers and above. 18 per cent of all teachers can expect to be promoted as a result of the package. The additional increment costs a higher

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proportion of the total in 1986/87 because, unlike the new salary scales, it is paid throughout the year. As teachers are promoted to the new scales, the longer run impact of the additional increment becomes less important.

Teachers' Contracts

5. There remains some uncertainty how paragraph 19 in the Management Side document will be incorporated into teachers' contracts. DES are somewhat worried that there will be demands to quantify the amount of time teachers can be required to spend on each of these specified duties, and that this process could then result either in a demand for a bigger pay increase (the Scottish local authorities have said that the corresponding contract redefinition for their teachers justifies a 15 per cent overall pay increase), or that the benefits could be reduced by restricting the effort teachers are required to putting to non-class room activities. DES will continue to argue in the Management Side meeting today that quantification should be avoided, with reliance placed on the courts to interpret teachers' implied contracts, in the light of an agreement on a restructuring package which includes a broad statement of teachers' duties.

Prospects for an Agreement

6. DES are far from confident that tomorrow's negotiations will be successful. At the least, some further concession seems likely to be offered on the timing of the payment of the additional increment, but if this were the only concession, the Government need not be too worried. The NUT may well try to insist that the negotiation should be restricted to pay, and not cover anything about conditions of service. Such a stance would, however, be much more difficult for them to justify to the public, provided the (Labour majority) local authority employers stand firmly with the Government in insisting on a package covering both pay and conditions. It is not clear that the teacher unions would win ballots of their members rejecting an offer on the lines now proposed.

JW

TEACHERS

The present position between the Chief Secretary and the Secretary of State for Education is as follows:

The Chief Secretary with very strong support from the Chancellor (who is furious about the way in which the cost of the package has gone beyond £1 $\frac{1}{4}$ billion) is that the package should be rejected for two reasons.

- (i) He sees the breaking of the limit, which is recognised explicitly in the management panel paper, as a try on. If it were to lead to ^{agreement} assessment, then OK. But it is more likely that once the management panel & the teachers have seen that the Government is prepared to see its own limited protection, they will be back for more.
- (ii) It is politically untenable to say that the extra beyond the amount to be provided ~~just~~ by the Government would have to be provided by the local authorities from their own resources.

The Government cannot will the ends without the means and the local authorities will simply come back for more money.

Sir Keith's position remains as I described it for you last night. He wants to stick at an offer of £1 $\frac{1}{4}$ billion, making it clear that this is all that is on offer. But he does not believe it would be realistic to seek to negotiate the package back within the limit of £1 $\frac{1}{4}$ billion.

David Norgrove

DES REPRESENTATIVE
STATEMENT

DRAFT

The Secretary of State regards this package as a very constructive attempt to bring together the employers' longstanding restructuring ambitions ~~and~~ and the Government's 21 May and 5 August conditions for an increase in educational expenditure to allow for such restructuring over a period of time. Clearly, it is not ideal in all respects and there are points which I am instructed to pursue in any subsequent polishing stages by officials. But those reservations are not fundamental and I am authorised to say that if this package is adopted today by the Management Panel and accepted by the teachers tomorrow then the Government will agree to the additional expenditure from April 1986 as set out in the Secretary of State's 5 August statement.

The Panel will understand that insofar as the package may be qualified today or in subsequent negotiation, then the Government's position must be reserved.

I say all this so that there may be a complete and precise statement of the Government's position. The central message is that a bargain done on the terms set out in this document would release the additional resources indicated.

(For Verbatim recording in the minutes.)

11.X. 1985 PM85

PRIME MINISTER

Prime Minister

Im seen.

Await the further report prepared & in the last para. Sir K. J's package looks to be not a bad bargain if X can be achieved and is made reality

TEACHERS PAY

W.L.W.

10.9

The Burnham Management Panel is meeting tomorrow afternoon (Wednesday at 1400) to decide whether to adopt a package which would form the basis of an offer to be made to the teachers panel at a full meeting of the Burnham Committee on Thursday.

The Secretary of State for Education has written to you to ask your agreement that the Government should say that it would release the extra resources if a package along the lines proposed could be negotiated. The Government position needs to be decided by lunchtime tomorrow.

The Package

The package has two parts: an offer for 1985-86 and structural changes to be introduced from September 1986.

1985-86:

- (i) from 1 April 1985 an increase of £480 or 5% on most scale points and allowances;
- (ii) from 1 September 1985 a merger of Scale 1 and Scale 2 on the understanding that Scale 1 teachers would be expected to undertake the duties of teachers currently on Scale 2;
- (iii) from 1 November 1985 a further 1% increase (on the base) on all salary points;
- (iv) from 31 March 1986 all teachers on their salary minima (about 40% of teachers) to receive an additional increment.

Structural changes from September 1986 would involve the creation of 4 grades: an entry grade, a teacher grade, a senior teacher grade and a principal teacher grade. There would be additional allowances for certain teachers and increases for deputy Heads and Heads of around 10-11% designed to increase differentials. These changes would involve a shortening of scale and about 75,000 out of 350,000 teachers would be promoted.

X IIII Teachers in the new grades would be expected to perform the duties listed by the Government (depending on their rank) and to take part in performance assessments.

On both areas it is - I understand - envisaged that there would be some margin of flexibility for movement in discussions with the unions, for example, on the date on which the additional increment would start ((iv) above) and on the detail of the second part of the package.

The Cost

The cost of the 1985-86 part of the offer remains unchanged at 5.85% of the pay bill or 6.4% in a full year. If the cost of the extra increment ((iv) above) is included, the full year cost rises to just over 8%.

The additional cost of the package, including the new increment, would be some £1335 million over four years, compared to the £1¼ billion of new money made available by the Government (on the Treasury's view) or £1300 million (according to DES).

Sir Keith's View

Sir Keith believes that the package is in its main features consistent with his statement of 5 August and that it is a constructive response to the Government's 14 point description of teachers' responsibilities and provides increased differentials, together with a strengthened promotion structure. He believes that the Government must be ready to reach an accommodation with the employers on the grounds that otherwise the Government would be seen to be standing in the way of the constructive efforts of the local authorities and that the disruption would intensify. The Government representatives at tomorrow's meeting would say, however, that any substantial dilution of the Government's purposes would place at risk the Government's endorsement. If the negotiations with the unions were to fail, the Government would then be in a strong position.

The Treasury View

The official Treasury say that:

- (i) the cost of the extra increment (1.65% or up to £80 million a year) is unconditional and uses up money which had been promised conditionally (this is recognised by the employers)
- (ii) The package will be presented as an 8% increase this year, which would be particularly damaging at the start of the new pay round;
- (iii) It will cost more than the Government has offered and push up local authority overspending.

The Treasury want the cost of the extra increment taken out of the promised Government money.

The Chancellor has not yet seen the official advice, but is reported to incline to the view of his officials. He is to speak to Sir Keith Joseph early tomorrow (by 9.30 if possible).

Comment

The offer of new money has for the most part simply raised the stakes. But if the package were accepted by the unions, the Government would have won agreement to define duties, and performance assessment, though with lower rewards for better performing teachers and smaller differentials. The unions would have won $\frac{1}{4}$ - $\frac{1}{3}$ of the Government money for all teachers, whatever their capabilities. The risk with Sir Keith's proposals - whatever the other arguments - is that the unions will take what is offered and ask for more danegeld. The Government's hand would then be stronger, but public perception is unpredictable.

The Treasury position risks turning the employers firmly against the Government leading them to revert to a no-strings offer. Sir Keith regards it as a major achievement to have got as far as he has with a Labour panel.

Although the proposal is unsatisfactory it would be a small further concession if it achieved agreement. If you decide to go along with the package there is a strong case for less than full endorsement tomorrow afternoon to reduce the risk of further demands. It should be possible to refuse to endorse the package as a whole while implying that the Government would accept provided the unions are prepared to sign up.

I shall report after Sir Keith has spoken to the Chancellor (unless I have a report of your ^{firm} views before then).^a You might then discuss with Sir Keith, awkward/~~that~~ ^{though} will be for your programme.

DAVID NORGRÖVE

10 September 1985

for the newspaper

PRIME MINISTER

10 September 1985

TEACHERS' PAY

As predicted Keith Joseph's offer of £1,250m of new money in return for better teaching has done little more than raise the stakes. DES are now seeking approval to endorse the employers' latest proposal for the Burnham meeting on Thursday.

The 1985/6 part of the offer remains unchanged at 5.85% on the pay bill (6.4% in a full year). This will result in an overspend of roughly £100m which the Local Authorities are not expecting the Government to fund. The new elements are an extra increment for all teachers on scale maxima from April 1986, and promotions of 53,000 Scale 1/2 teachers to Senior Teaching Grade and 21,000 Senior Grade to Principal Grade. Keith's statement of a teacher's duties forms part of the proposal and may help ensure that at least some of the promotions are on merit.

The promotions and new increment will cost £220m in 1986/7 rising to £409m in 1989/90 - a total of £1,335m, compared to the Chancellor's £200m rising to £450m and totalling either £1,250 (Treasury) or £1,300m (DES) depending upon what intermediate steps are assumed.

The extra increment may cost £70m a year and consume nearly a quarter of the new money available, it will go to many of the worst teachers and buy little improvement in education. DES would argue it is necessary to achieve the settlement from which the statement of duties and other benefits flow.

Although the proposal is unsatisfactory it would be a small further concession if it achieved agreement. DES believe that if we don't support the employers they may either

revert to their mooted offer of 7+% and no strings, or at best side with the unions to place the blame for the breakdown on the Government.

But the unions believe they already have the Government on the run and are therefore unlikely to accept the employers' proposal even if we endorse it. Nor, in that situation, are the employers likely to stand firm with Government on this as the final offer. Further escalation in disruption and danegeld could only follow.

Whilst there is a risk of the employers reverting to a 7% no strings offer we recommend the Government not to endorse the employers proposals because they do not comply with Keith's terms. If employers and unions then unite, the Government may be able to hook them on the employers' proposals and grudgingly concede agreement subject to proper safeguards on the mechanics of the promotions etc. This tactic would avoid the Government conceding further ground (and an 8+% pay rise just at the start of the new pay round) unless agreement is assured.

PETER WARRY



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cc Policy Unit

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

N BPM, DRS 11/9.

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Prime Minister

To see the letter which stated the discussions, and the detailed proposals. Lord Young wrote to support Sir K. Joseph.

9 September 1985

received 10/9.

DRS 11/9.

Chancellor of the Exchequer
Treasury
Parliament Street
London SW1P 3AG

Jean Nigel

TEACHERS' PAY

The Burnham Management Panel meets on Wednesday with a view to adopting the attached package as the basis of an offer to be made to the Teachers' Panel at a full meeting of the Burnham Committee on Thursday.

I believe that this package is in its main features consistent with my statement of 5 August (further copy attached for ease of reference) and that it should be seen as a very constructive response to our objectives for better schools by means of a more differentiated career structure with more promotion opportunities for good quality teachers and a clearer definition of duties. It incorporates our 14-point description of teachers' responsibilities and provides increased differentials together with a strengthened promotion structure. It is not to be expected that the employers would design a package which conforms in every respect with our wishes, but I believe that we must be ready to reach an accommodation with them. Obviously there are very considerable difficulties standing in the way of their negotiating this package into place but such an outcome remains a possibility for Thursday and we must be prepared for it.

As I see it, we have two real choices. I could instruct my representatives to say on Wednesday - when they are certain to be asked where Government stands - that the package does not go far enough to meet our 5 August aspirations and so will not unlock any additional resources. We could expect public condemnation from the local authorities for standing in the way of their constructive efforts to work with central Government; there would be no settlement; and the disruption in the schools would intensify with no other solution in prospect. Alternatively I could instruct my representatives to express our acceptance of the package (without removing their scope to argue for such improvements as they can get) and to say that the additional resources described in the 5 August statement will be released

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if it can be negotiated with the teachers in its present form. They will, of course, make clear that any substantial dilution of our purposes would place at risk this Government endorsement. This will keep us on course for the improvements we are looking for in the schools and enable us to continue publicly to stress our constructive approach to this difficult and long-running dispute. Should the unions and employers then fail to reach a settlement, we would be better placed to attract public support for holding to our realistic and educationally desirable objectives. We would also be seen as standing together with the employers - a highly desirable position in the event of breakdown. (I do not regard it as a real option for my representatives to simply reserve the Government's position. That would be presented by our opponents, the teachers and the employers as failing to address promptly a real attempt at a solution offered by the employers consistently with our 5 August initiative.)

I think we must take the second course and indicate the Government's readiness to accept the package as now drafted. As my representatives must leave for the management panel meeting at 2pm on Wednesday, 11 September, I need to ask for comments by midday on that day.

Copies of this letter go to the Prime Minister, Members of E(PSP), the Secretaries of State for Scotland, Wales and Northern Ireland and Sir Robert Armstrong.

Yours ever,

Keir

MANAGEMENT PANEL PROPOSALS FOR IMPROVED
PAY AND CAREER STRUCTURE

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1. The Management Panel submits the following set of proposals in an earnest attempt to resolve the current dispute in the interests of the profession itself, local education authorities and, not least, pupils and parents.
2. These new proposals have been made possible:-
 - (a) by the Secretary of State's offer to release additional resources of £200 million in 1986/87 rising to £450 million by 1989/90.
 - and (b) as the proposals exceed the Secretary of State's limit, the Management Panel's willingness to inject further resources for which there will not be RSG cover, despite the continuing severe restraints facing local education authorities.
3. Other financial constraints continue to mean that the improvements we are suggesting will need to be phased over a period.
4. The Secretary of State's proposal to increase the rate support grant formula for 1986/87 is dependent upon satisfactory progress being achieved by October 11th towards an agreement which meets the government's objectives. The Management Panel feel that it is essential that this offer is grasped so that additional money can find its way into teachers' pockets next year and that the opportunity can be taken of improving career structure and promotion prospects of teachers.
5. The proposals now put forward therefore form a total package which needs to be considered as a whole.

CURRENT SALARIES

6. The first stage in the Management Panel's package is for an offer as follows:-

FOR ILLUSTRATION

	Paybill		Increase for Individual Teacher	
	Cost 1985/86	Cost 1986/87	Highest	Lowest
	%		%	
(i) From 1st April 1985 an increase of £480 or 5% on all scale points and allowances (except London and Social Priority Allowances)	5.43	5.43	8.82	5.00
(ii) From 1st September 1985 the merger of Scale 1 and 2 on the understanding that scale 1 teachers would be expected to undertake the duties of teachers currently on scale 2	-	-	4.09	3.65

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	Paybill		Increase for	
	Cost 1985/86	Cost 1986/87	Individual Highest	Teacher Lowest
(iii) From 1st November 1985 a further 1% increase (on the base) on all salary points	0.42	1%	1%	1%
(iv) From 31st March 1986 all teachers on their salary maximum to receive an additional increment. (Teachers on scale 1 will benefit from the merger of scales 1/2 and will not be affected.)	-	1.65	4.9	3.4
TOTAL	5.85	8.08		

7. Clearly, the cost of the additional increment takes up part of the additional resources for 1986/87 earmarked by the Secretary of State.

MIDDAY SUPERVISION

8. An additional call on these resources from 1986/87 is to deal with the supervision of pupils during the midday break. The Management Panel has asked the local authority Associations to consider a scheme to enhance the support available to headteachers during the midday break. This will involve payments to teachers on a separate contract, or others, undertaking these duties. Teachers could receive the payments on a voluntary basis.

IMPROVEMENTS IN THE CAREER STRUCTURE AND PROMOTION PROSPECTS OF TEACHERS

9. The Management Panel also propose significant improvements to the career structure from September 1986.
10. The Management Panel has designed the following set of proposals drawing on the common understanding of the professional role of teachers in schools. It has taken into account the criticisms and shortcomings of the existing arrangements and built on its strengths. This has had to be done bearing in mind the financial limits set by the Secretary of State.
11. Within these limits the Management Panel has been able to put forward significantly improved promotion opportunities for teachers. These promotions will be used to meet a variety of criteria and will include; rewarding those undertaking additional responsibilities; recognising that the school's curricular requirements call for a greater input of skills and experience which are in short supply; acknowledging that the schools location places special demands on the teachers or where the exceptional performance of the teacher's duties call for additional recognition.

2. There have been a number of criticisms of the existing arrangements for promoting teachers. Some of these criticisms could be alleviated by a more systematic approach to the appraisal of teachers. For those teachers who do not benefit from promotion an accepted system of appraisal will be useful also for identifying other opportunities for their career development. These proposals are put forward in the expectation that all parties will co-operate in the development of a scheme of appraisal. An early start would be needed to make a worthwhile contribution to the reform of the salary structure.
13. The complete package already exceeds the Secretary of State's limit of £200 million in 1986/87, but the Management Panel anticipate developing their ideas in discussions with the Teachers' Panel in time to meet the 11th October deadline.
14. All the salary figures that follow reflect the employers' offer for improvements in current salaries set out in paragraph 6. These are shown in Appendix I.

Entry Grade £7035 to £7278 (points 5 and 6 of Scale 1)

15. All newly appointed teachers will serve two years on this grade before being transferred after appraisal to the Teacher Grade. During the first year on the grade the teaching load will be reduced to 90% of the normal load in the school.
16. All such teachers will receive counselling, support and induction to afford every opportunity to attain the standard necessary to progress their career.
17. The starting salary matches that currently paid to graduates but additional salary arrangements might be needed for mature entrants.

Teacher Grade £8037 to £10,509 (point 9 of scale 1 to point 7 of scale 3)

18. All teachers currently being paid below the grade minimum will be lifted to that point by the time the first EG teachers arrive there, other teachers will transfer on their existing point. This will benefit teachers on the lower points and give increases up to 14.0% in some cases in the first year.
19. Teachers will be expected to undertake the following duties based on a contractual provision common to all teachers on this grade:-

Pupils

1. teach assigned timetabled classes
2. take an appropriate share of collective staff responsibility to cover the classes of absent colleagues
3. plan, prepare, evaluate and review personal teaching methods and programmes in accordance with education authority and school policies

4. take an appropriate share of collective responsibility to supervise pupils on arrival at and departure from school and during the school day, including before and after the midday break
5. mark, record and report on pupils' work (including homework) and progress in accordance with education authority and school policies
6. provide guidance and counsel on educational, social and career matters in accordance with education authority and school pastoral and counselling policies

Parents

7. consult and liaise with parents, attending meetings arranged for the purpose

Curriculum and Examinations

8. take part in arrangements for presenting pupils in public examinations
9. contribute to the preparation and development of courses of study and teaching materials in response to change in public examinations and assessment procedures and in accordance with education authority and school curricular policies

Staff Matters

10. take part in performance appraisal in accordance with education authority arrangements
11. take part in courses of in-service training and other schemes of professional development
12. take an appropriate share of collective staff responsibility for the professional development of colleagues, including new entrants to teaching
13. attend staff meetings

General

14. carry out such other related duties and responsibilities at the school as may be reasonably allocated, as need arises, by the head.

Senior Teacher Grade £9,456 to £12,087 (point 4 of scale 3 to point 6 of scale 4)

20. In addition to those of the Teacher Grade, duties of the Senior Teacher Grade would cover:-
 - (a) Acting as a curricular consultant throughout the school.
 - (b) Taking a leading professional role in the review, development and management of assigned curricular, pastoral or organisational activities.
 - (c) Acting as a mentor to newly appointed teachers.
 - (d) Taking responsibility for the school in the brief absence of the head where there are no posts above senior teacher.
21. This promotion post would be available in the ratio of one senior teacher grade for every two posts on teacher grade (including entry grade).
22. In all but the smallest primary schools, 67% of teachers would be on the teacher grade and 33% on the senior teacher grade. Achieving this proportion would give promotions to 30,000 teachers currently on scales 1 and 2.

In the majority of secondary schools, 25% of teachers would be on this grade and lead to promotions for 23,000 teachers in those schools who are currently on scales 1 and 2.

24. This grade would accommodate those teachers on scale 3 who were not promoted to Principal Teacher Grade. Those on the lower points would benefit from being assimilated to the new minimum.

Principal Teacher Grade £11,298 to £14,658 (point 4 of scale 4 to max.
of senior teacher plus one increment)

25. In addition to the duties set out for other grades in a school, Principal Teachers would be expected to be accountable for:-

supervising, directing, monitoring and appraising the performance of a group of teachers including observing lessons and scrutiny of schemes of work.

26. Such posts would only be established in schools in Group 8 and above. They would be introduced on a sliding scale so that in the average size of secondary school one post in every four will be on this grade. The Management Panel would wish to retain discretion for authorities to exceed the national provision in this respect.

27. The proposals provide for the promotion of some 21,000 teachers as well as for the movement of teachers on the lower points of scale 4 to the new minimum point.

ADDITIONAL ALLOWANCES

28. Even with the changes introduced there will be other specific management duties to be undertaken. These duties will vary in their nature and duration, some may be continuing, others may be completed in a term or year, depending on the circumstances of each school. It is felt to be necessary to set a minimum figure on each allowance and to set a limit to the total expenditure available in each school.

29. It is suggested that the minimum allowances should be set at £500 and be available only in schools in group 8 and above in the following annual amounts:-

Group 8	-	£1,000
Groups 9 & 10	-	£1,500
Groups 11 & 12	-	£2,000
Groups 13 & 14	-	£2,500

30. These allowances would be paid to senior or principal teachers as determined by the authority.

DEPUTY HEADS

31. The post and title is retained and differentials improved to produce the following salary levels. These have been phased over two years in the case of Groups 5 to 10 and are based on existing age weightings.

	<u>Proposed Salary Maximum from</u>		<u>Management Panel's increased offer</u>
	<u>1.9.86</u>	<u>1.9.87</u>	<u>from 1.9.86 on scale maximums</u>
	£	£	%
1&2	12,084		16.9
3	12,189		17.9
4	12,300		10.7
5	12,633	12,900	6.2
6	13,167	13,400	7.9
7	14,199	14,400	10.5
8	14,922	15,100	11.0
9	15,432	15,600	9.0
10	16,266	16,400	8.5
11	17,247		10.0
12	18,150		10.0
13	18,669		10.0
14	19,461		10.0

HEADS

32. For head teachers the Management Panel propose to adjust existing pay differentials to recognise the new tasks that will be expected of head teachers.

<u>Group</u>	<u>Proposed Salary Maximums</u>	<u>Management Panel's increased offer</u>
	<u>from 1.9.86</u>	<u>from 1.9.86 on scale maximums</u>
	£	%
1	12,714	12.6
2	13,026	11.0
3	13,572	11.0
4	14,571	11.0
5	15,669	11.0
6	16,689	11.0
7	17,625	11.0
8	18,780	11.0
9	20,133	11.0
10	21,345	11.0
11	22,953	11.0
12	24,363	11.0
13	25,599	11.0
14	26,994	11.0

VIEW OF AGE WEIGHTINGS

33. Although these proposals rely on the existing arrangements for determining the groups of schools, the Management Panel has been critical of the effect of the existing age-weightings and would like to review these in the near future.

SPECIAL SCHOOLS

34. These proposals cover the majority of teachers in maintained schools but do not cover the arrangements for special schools. The Management Panel expects the same principles to be applied to special schools.

13/9/DOC

SALARY SCALES REFLECTING
EMPLOYERS' OFFER

APPENDIX 1

Scale Existing of £480/5%
Point Salary + 1%

NEW STRUCTURE
FROM 1.9.86

£ increase %inc.

0	5442	5976
1	5694	6231
2	5883	6423
3	6072	6612
4	6252	6795
5	6489	7035
6	6732	7278
7	6975	7524
8	7250	7782
9	7482	8037
10	7734	8292
11	8004	8565
12	8280	8844
13	8556	9123
14	8886	9456
15	9207	9774
16	9597	10173
17	9915	10509
18	10287	10905
19	10659	11298
20	11031	11694
21	11403	12087
22	11931	12648
23	12363	13104
24	12963	13740
25	13395	14199
26	N/A	14658

ENTRY
GRADE

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(This does not take into account the salary increase payable from 1.4.86).

(This gives a misleading impression! graduates already start at point 5 or point 7.)

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534	9.81
537	9.43
540	9.18
540	8.89
543	8.69
546	8.41
546	8.11
549	7.87
552	7.63
555	7.42
558	7.21
561	7.01
564	6.81
567	6.63
570	6.41
573	6.23
576	6.00
594	5.99
618	6.01
639	5.99
663	6.01
684	6.00
717	6.01
741	5.99
777	5.99
804	6.00
N/A	N/A

Deputy Heads Teachers Scale maximum at Offer Level.

<u>Group</u>	<u>Current maximum</u>	<u>Maximum with 6% Increase</u>
	£	£
Below 4	9,753	10,338
4	10,482	11,112
5	11,223	11,895
6	11,514	12,204
7	12,123	12,849
8	12,681	13,443
9	13,356	14,157
10	14,142	14,991
11	14,790	15,678
12	15,567	16,500
13	16,011	16,971
14	16,689	17,691

Head Teachers Scale Maximum at Offer Level

<u>Group</u>	<u>Current Maximum</u>	<u>Maximum with 6% increase</u>
	£	£
1	10,653	11,292
2	11,073	11,736
3	11,535	12,228
4	12,384	13,128
5	13,317	14,115
6	14,184	15,036
7	14,979	15,879
8	15,963	16,920
9	17,112	18,138
10	18,141	19,230
11	19,509	20,679
12	20,706	21,948
13	21,756	23,061
14	22,941	24,318

5 AUGUST 1985

STATEMENT BY SECRETARY OF STATE FOR EDUCATION AND SCIENCE

The Government's plans for Better Schools depend on a well qualified and well trained teaching force committed to achieving the planned improvements in curriculum, examinations and standards of achievement. Work in hand to improve initial and in-service teacher training is all directed towards making our schools better.

The recent fall in school rolls has sharply reduced promotion opportunities. The Government believes a substantial improvement in teachers' career prospects is needed. That is why I told the local authority associations and the teacher unions in May - filling out and confirming the offer made in July 1984 - that the Government would be willing to provide conditionally some additional resources for teachers' pay in 1986-87. The condition is an acceptable and firm agreement in principle by October 1985 which would ensure progress towards the Government's objectives. This timing would enable those resources to be incorporated in the Rate Support Grant settlement for 1986-87. Little clear progress has so far been made in response to this initiative, and disruption in the schools has continued. It is essential to achieve a lasting settlement which will enable school work to proceed steadily, and which will support the necessary improvements in quality.

In order to make the position clear the Government has decided to announce the level of the additional resources which, if acceptable progress is made by October, it would be willing to provide for teachers' pay by local education authorities in 1986-87 and over the three following years. These resources are additional to what would be provided in the course of normal annual public expenditure planning and pay negotiations.

As I made clear in May, the Government is looking for a firm agreement by October which would ensure progress towards two broad objectives.

1. A clear definition of the range of teachers' duties linked to their contracts of employment. I issued in May a note setting out the Government's provisional view of these duties (of which a copy is attached).

2. A pay structure providing substantially more promotion opportunities for the better teachers to higher scales than are at present available combined with promotion arrangements and differentials designed to recruit, retain and motivate teachers of the right quality across the whole range of school responsibilities.

The Government looks for an agreement under which it would be explicitly recognised that employing authorities would take account of all relevant factors - including their assessments of the quality of individual teachers' work, the responsibilities attached to particular posts, the demand for specific skills and qualifications, and the difficulty of filling particular posts - in considering promotion to the higher scales.

Provided acceptable agreements on these issues are reached by October, and there is an end to disruption in the schools, the Government would be willing to provide for up to an additional £200 million expenditure by local education authorities on teachers' pay in England and Wales in 1986-87, rising in broadly equal steps to a maximum of up to £450 million in 1989-90. The Government would be willing to see part of those resources used to help pay for the mid-day supervision of schools by teachers, or by other persons, if it is agreed that such supervision should not form part of teachers' standard duties.

I must emphasise that there will not be any addition for this purpose to the 1986-87 Rate Support Grant settlement unless acceptable agreements are reached by October and there is an end to disruption. There is still time for agreements to be reached. I urge the teacher unions to end their plans for further disruption, and direct their energies to negotiating the necessary agreements and to the education of the pupils in the schools.

STATEMENT OF TEACHERS' DUTIES

Teachers must

Pupils

1. teach assigned timetabled classes
2. take an appropriate share of collective staff responsibility to cover the classes of absent colleagues
3. plan, prepare, evaluate and review personal teaching methods and programmes in accordance with education authority and school policies
4. take an appropriate share of collective staff responsibility to supervise pupils on arrival at and departure from school and during the school day [including the midday break?]
5. mark, record and report on pupils' work (including homework) and progress in accordance with education authority and school policies
6. provide guidance and counsel on educational, social and career matters in accordance with education authority and school pastoral and counselling policies

Parents

7. consult and liaise with parents, attending meetings arranged for the purpose

Curriculum & Examinations

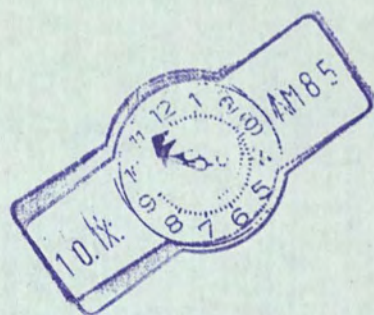
8. take part in arrangements for presenting pupils in public examinations
9. contribute to the preparation and development of courses of study and teaching materials in response to change in public examinations and assessment procedures and in accordance with education authority and school curricular policies

Staff Matters

10. take part in performance appraisal in accordance with education authority arrangements
11. take part in courses of in-service training and other schemes of professional development
12. take an appropriate share of collective staff responsibility for the professional development of colleagues, including new entrants to teaching
13. attend staff meetings

General

14. carry out such other related duties and responsibilities at the school as may be reasonably allocated, as need arises, by the head.



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cc press office ON.

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Pomie Quister 2.
The news about the management panel seems good, as far as that goes.

TEACHERS' PAY, ENGLAND AND WALES

State of play, 30 August PM

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Earlier this week the largest schoolteacher union (NUT) announced plans to intensify disruptive action in schools and to ballot on half-day strikes and selective 3-day strikes. The ballots will be held next week, coinciding with the TUC conference. It is said that the NUT plan to time selective strikes to coincide with party conferences. The second largest schoolteachers' union (NAS/UWT) has also announced plans to intensify action, but from 1 October in their case. The National Association of Head Teachers (NAHT) has offered advice to members facing extreme difficulties in keeping schools running during strikes and disruptive action: the effect is likely to be rather more school closures. The Secretary of State has denounced teacher plans to step up disruption - copy of his press statement attached.

Not attached - but you have already seen.

2. The management panel of the Burnham Committee met this morning. They had before them a text prepared by officials which seeks to reconcile the Secretary of State's 5 August initiative with the employers' previously stated restructuring ambitions. The Secretary of State has discussed those proposals with the employers' leader, and told her that he sees no "killing objections" to the compromises under consideration: his points of difficulty have been communicated separately at official level. This text was discussed by the management panel in broad terms only, but it was agreed to seek to promote a reform package along those lines with the teachers, thus releasing the additional resources conditionally offered by the Secretary of State on 5 August.

3. The management panel has now requisitioned a Burnham meeting, which under the rules must take place in the next 2 weeks ie on or before 13 September. The employers will be seeking a settlement taking account of 1986 as well as 1985 - as the Secretary of State urged in his statement yesterday. The unions will be reluctant to negotiate on this basis - the essence of their position is that their 1985 claim must be settled before they address 1986 issues, that the 1985 claim must leave them no worse off in real terms and be above the increase in average earnings (we infer that they demand an end-of-year increase in excess of 7.5%), and that the employers should declare support for a phased return to the levels of pay established by the Houghton Committee in 1984. The employers continue to maintain that they could not agree to those propositions,

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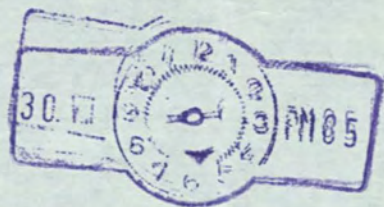
lest they end up with a 1985 pay increase and commitments for the future with no additional resources allowed by Government.

Line to take

The Prime Minister will wish to welcome the management panel decision to reconvene the Burnham Committee; to repeat that negotiations on the Government offer of substantial additional resources for 1986/87-1989-90 represents a real way forward; and to express the hope that the unions will enter into serious negotiations with their employers on the basis of that offer. Meantime renewed disruption of children's education just cannot be justified.



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10 DOWNING STREET

Prime Minister

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Teachers' Pay

The management panel are meeting tomorrow to decide their reaction to the Government's offer of extra money, and what they should say to the teachers now.

I have asked for a note for your week-end box on the NUT's programme of disruption announced yesterday. A fuller note will come to you next week when we know the outcome of the management panel meeting.

mb

JH

29/8

Statement issued
today, Thursday.

/85

29 AUGUST 1985

TEACHERS' PAY
Statement by Sir Keith Joseph

Education Secretary Sir Keith Joseph issued the following statement today:

The Government remains ready to approve an extra £1.25b for teachers' pay over the next four years.

But it will do so only if a satisfactory agreement about pay and conditions can be reached by mid-October.

This is a genuine offer. It is not window-dressing. It offers a new deal for teachers - with improved pay, promotion and career prospects.

So the public will neither understand, nor sympathise with, the action of the teachers' union leaders in threatening more disruption of schools at the start of the new school year before the possibilities of finding a settlement based on this extra money have been fully explored.

The union leaders are demanding a 1985 settlement before talking about 1986. That is neither possible nor realistic.

They threw away that chance months ago by refusing even to discuss the extra money that could have been available for this year.

The best prospect for a settlement of the teachers' dispute is a deal - possibly a staged deal - which takes account of 1986 as well as 1985 and allows the Government to approve the use of the extra £1.25b for teachers' pay.

The unions know that the Burnham Management Panel is meeting tomorrow (Friday). Without anticipating what might be decided there, I hope it goes well.

Negotiations are the only way forward and threats of renewed or intensified disruption cannot help anyone, least of all the children.

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CCND

DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Miss Joan McNaughton
Private Secretary to the
Lord President of the Council
68 Whitehall
LONDON SW1A 2AT

see file

6 August 1985

Dear Joan,

TEACHERS' PAY

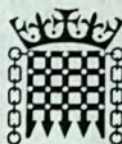
Further to my Secretary of State's letter of 24 July to the Lord President, I now enclose a copy of the letter which has issued to all Conservative MPs explaining yesterday's statement on teachers' pay. More detailed briefing has been sent to each of the education support group MPs.

will request if required

I am sending copies to the Private Secretaries of the Prime Minister, members of the Cabinet and Sir Robert Armstrong.

*Yours sincerely,
Rob*

R L SMITH
Private Secretary



HOUSE OF COMMONS
LONDON SW1A 0AA

To All Conservative MPs

5 August 1985

DEAR COLLEAGUE

Further to my letter of 23 July about the teachers pay dispute, I can now report a significant further step taken by the Government to bring this dispute to an end, and to establish a far better basis for teachers pay and promotion in future years.

On 5 August, the Government announced the level of the additional resources which, upon certain and most important conditions, it will make available for teachers pay for the 4 year period starting next year, 1986/87.

The Offer

1. Up to £200 million extra for England and Wales in 1986/87.
2. Further, additional sums in the following years, rising to a maximum of £450 million in 1989/90, making a total over those 4 years of the order of £1250 million.
3. This to be additional to the normal annual public expenditure planning and pay negotiations.

The Conditions

1. There must be a clear definition of teachers duties linked to their contracts of employment. (A provisional list of these duties was published by the Government on 21 May, and a copy is attached to the statement.)
2. There must be a new pay structure to provide substantially more promotion opportunities for the better teachers to reach higher scales of pay. This is to be combined with promotion arrangements (appraisal) and differentials designed to recruit, retain and motivate teachers of the right quality, including teachers of shortage subjects.
3. Agreement on the above 2 objectives, acceptable to all sides, must be reached by October this year.
4. All disruption in the schools must end.

I have said many times that we were prepared to put more resources into teachers pay in exchange for such an agreement on pay, promotion and conditions of service. I hope we have now broken the current deadlock by spelling out the substantial resources we are prepared to put in, provided the conditions are met.

A similar, but separate offer has been made for teachers in Scotland.

The Government remains firm that it will not put more money in for 1985/86 whatever the pay deal for this year eventually agreed.

To the obvious question "How will this new initiative help to solve the current year's pay dispute?", I would offer the following answer:-

"It will help solve the current year's pay dispute by firming up the financial framework within which negotiations for a longer period can take place. Everybody knows that we need to reform the pay structure (falling rolls have seriously reduced promotion prospects for example), improve opportunities for in-service training and career development (curriculum and examination changes for example) and to end disputes about the scope of teachers' responsibilities. Progress has not been made in time for extra resources to be made available in 1985/86, although the Secretary of State offered to consider proposals as long ago as July 1984. The Government is not willing to make extra resources available without adequate assurances about the desired objectives. This further clarification of the Government's position, and the very large resources that the Government has now undertaken to provide over 4 years (of the order of £1250 million), provided that the conditions are satisfied, should now rapidly lead to a settlement for 1985/86 combined with constructive negotiations for 1986/87 and later years."

I attach a copy of my published statement.

Never since Burnham was reconstituted in 1965, has any Government come forward with such an initiative designed to transform the pay structure.

Please do your best to see that teachers, parents and public are made fully aware of what is now on offer.

Yours ever
Bob Dunn

Signed by Bob Dunn
on behalf of Sir Keith Joseph.

5 AUGUST 1985

STATEMENT BY SECRETARY OF STATE FOR EDUCATION AND SCIENCE

The Government's plans for Better Schools depend on a well qualified and well trained teaching force committed to achieving the planned improvements in curriculum, examinations and standards of achievement. Work in hand to improve initial and in-service teacher training is all directed towards making our schools better.

The recent fall in school rolls has sharply reduced promotion opportunities. The Government believes a substantial improvement in teachers' career prospects is needed. That is why I told the local authority associations and the teacher unions in May - filling out and confirming the offer made in July 1984 - that the Government would be willing to provide conditionally some additional resources for teachers' pay in 1986-87. The condition is an acceptable and firm agreement in principle by October 1985 which would ensure progress towards the Government's objectives. This timing would enable those resources to be incorporated in the Rate Support Grant settlement for 1986-87. Little clear progress has so far been made in response to this initiative, and disruption in the schools has continued. It is essential to achieve a lasting settlement which will enable school work to proceed steadily, and which will support the necessary improvements in quality.

In order to make the position clear the Government has decided to announce the level of the additional resources which, if acceptable progress is made by October, it would be willing to provide for teachers' pay by local education authorities in 1986-87 and over the three following years. These resources are additional to what would be provided in the course of normal annual public expenditure planning and pay negotiations.

// As I made clear in May, the Government is looking for a firm agreement by October which would ensure progress towards two broad objectives.

1. A clear definition of the range of teachers' duties linked to their contracts of employment. (I issued in May a note setting out the Government's provisional view of these duties (of which a copy is attached).)

2. A pay structure providing substantially more promotion opportunities for the better teachers to higher scales than are at present available combined with promotion arrangements and differentials designed to recruit, retain and motivate teachers of the right quality across the whole range of school responsibilities.

The Government looks for an agreement under which it would be explicitly recognised that employing authorities would take account of all relevant factors - including their assessments of the quality of individual teachers' work, the responsibilities attached to particular posts, the demand for specific skills and qualifications, and the difficulty of filling particular posts - in considering promotion to the higher scales. //

Provided acceptable agreements on these issues are reached by October, and there is an end to disruption in the schools, the Government would be willing to provide for up to an additional £200 million expenditure by local education authorities on teachers' pay in England and Wales in 1986-87, rising in broadly equal steps to a maximum of up to £450 million in 1989-90. The Government would be willing to see part of those resources used to help pay for the mid-day supervision of schools by teachers, or by other persons, if it is agreed that such supervision should not form part of teachers' standard duties.

I must emphasise that there will not be any addition for this purpose to the 1986-87 Rate Support Grant settlement unless acceptable agreements are reached by October and there is an end to disruption. There is still time for agreements to be reached. I urge the teacher unions to end their plans for further disruption, and direct their energies to negotiating the necessary agreements and to the education of the pupils in the schools.

Government's provisional view of teachers' duties enclosed in letter from
Sir Keith to Councillor Philip Merridale, 21 May 1985

STATEMENT OF TEACHERS' DUTIES

Teachers must

Pupils

1. teach assigned timetabled classes
2. take an appropriate share of collective staff responsibility to cover the classes of absent colleagues
3. plan, prepare, evaluate and review personal teaching methods and programmes in accordance with education authority and school policies
4. take an appropriate share of collective staff responsibility to supervise pupils on arrival at and departure from school and during the school day [including the midday break?]
5. mark, record and report on pupils' work (including homework) and progress in accordance with education authority and school policies
6. provide guidance and counsel on educational, social and career matters in accordance with education authority and school pastoral and counselling policies

Parents

7. consult and liaise with parents, attending meetings arranged for the purpose

Curriculum &
Examinations

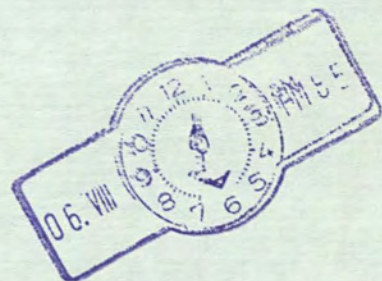
8. take part in arrangements for presenting pupils in public examinations
9. contribute to the preparation and development of courses of study and teaching materials in response to change in public examinations and assessment procedures and in accordance with education authority and school curricular policies

Staff Matters

10. take part in performance appraisal in accordance with education authority arrangements
11. take part in courses of in-service training and other schemes of professional development
12. take an appropriate share of collective staff responsibility for the professional development of colleagues, including new entrants to teaching
13. attend staff meetings

General

14. carry out such other related duties and responsibilities at the school as may be reasonably allocated, as need arises, by the head.



SECRET



file

ECL

bc Oliver Letwin

2

10 DOWNING STREET

From the Private Secretary

5 August 1985

Dear Rachel,

TEACHERS' PAY

The Prime Minister has seen the Chancellor's minute of 2 August. She was content with the agreement reached between himself and the Secretaries of State for Education and Science and for Scotland.

I am copying this letter to Rob Smith (Department of Education and Science), John Graham (Scottish Office), John Ballard (Department of the Environment), Colin Williams (Welsh Office), David Normington (Department of Employment) and Richard Hatfield (Cabinet Office).

Yours sincerely

Andrew Turnbull

(Andrew Turnbull)

Mrs. Rachel Lomax,
H.M. Treasury.

SECRET

JB

5/8



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

5 August 1985

Andrew Turnbull Esq
10 Downing Street
London SW1

Proc Minutes :

*Refusing to be press
in teacher + an additional*

Dear Andrew

TEACHERS' PAY

You may like to see the attached briefing note prepared by the Treasury in consultation with DES and Scottish Office officials.

I am copying this letter with attachment to Alan Davis in Department of Environment, Jerry Bird in Department of Education, Edward Gowan in the Scottish Office, Colin Jones in the Welsh Office, and Jim Daniell in the Northern Ireland Office; and to Richard Hatfield in the Cabinet Office.

*Yours sincerely
Tony Kuczys*

A W KUCZYS

TEACHERS' PAY RESTRUCTURING

Background notes for Press Offices

The proposals

In outline, Government prepared to see additional money put into teachers' pay from next year in return for specific changes to improve educational standards. Up to £200 million over and above what would otherwise be spent for 1986-87 rising to up to £450 million for 1989-90 in England and Wales, figures inclusive of mid-day supervision; up to an amount rising to 10 per cent of pay bill (about £50 million) by 1989-90 for Scotland. [For full details ask DES or Scottish Office.]

What would be given in exchange?

Basically, agreement to changes in teachers terms and conditions of service and the pay structure aimed in improving the standards of education throughout the country. Also, of course, return to normal working and cessation of disruption. [Detailed questions: refer to DES and Scottish Office].

Different deals in England and Wales, and in Scotland?

[Sums of money made available in England and Wales as percentage of pay bill slightly different from Scotland; also different changes in terms and conditions.] Yes, agree slightly different proposals. But note England and Wales, and Scotland, have different educational systems.

CONFIDENTIAL | It is very important ^{not} to draw attention to the absence of a 1st year figure for Scotland or to infer that the build-up in Scotland will be any slower than for England and Wales.

What happens if teachers do not agree to deliver programme of improvements and/or continue industrial action?

The money would not be made available.

Any further sums than this likely to be made available?

No. These as the maximum the Government is prepared to see spent.

Effect on public expenditure?

Effects to be taken up in current public expenditure Survey. Government's overall public expenditure objectives and policies remain unchanged.

Is the extra money for 1986-87 in addition to the totals recently provisionally announced for local authority expenditure next year?

Yes. The intention is to provide additional money for teachers' pay as long as a satisfactory agreement providing for improvements in educational standards is reached.

Who will actually pay?

As with the generality of local authority expenditure, partly ratepayer and partly taxpayer.

What about current 1985-86 pay negotiations

Matter between employer and employee. Government repeatedly said that no further central Government money to be made available. Position remains. Equally if 1985-86 deal staged in any way, no additional Central Government money being made available in 1986-87 to meet cost of excess carry-over.

How much is provided for ordinary pay settlements in 1985-86 and 1986-87?

The Government provides an overall amount of money for local authorities in the Rate Support Grant settlement. It for the local authorities to decide how much of that to allocate for pay

Will not the additional money now on offer simply drift into the ordinary pay settlement?

No. Money now on offer specifically in return for changes Government think are worthwhile and in the long-term interests of education in this country. Not for ordinary on-going pay settlements.

Teachers' unions likely to be opposed?

Very foolish if they do not pick up the offer. Opportunity for change in standards of education, with more money for better teachers. Repeat, if conditions not delivered money will not be made available.

If this much cash available, why not give to other public service pay groups - eg civil servants, national health service non-Review Body people, other local Government employees etc?

Money offered in return for specific and important improvements and changes in terms of conditions and service; long-term investment in teaching standards in this country. Not to be seen as a straight pay increase.

Future of Burnham/Scottish teachers' pay negotiation system

Ask DES/Scottish Office as appropriate.



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

PRIME MINISTER ^①

Content with this outcome?

AT 2/8

TEACHERS' PAY

Following the meeting you held yesterday morning, I have had further discussions with the Secretaries of State for Education and Science and for Scotland. We have reached agreement.

2. In England and Wales we will provide for an increase in the teachers' pay bill (over and above what would otherwise be the case) of £200 million in the year 1986-87 rising over four years to a figure of £450 million for the year 1989-90 and thereafter, these figures to be inclusive of the amounts required to meet the cost of mid-day supervision. The intermediate years' costs will be for negotiation, but the final figure will be reached by approximately equal steps. In Scotland the 1989-90 figure will be £50 million (presented as 10 per cent on the pay bill) and the initial figure will be of the order of £15 million, with approximately equal intermediate steps. These packages are not precisely the same, but the Secretaries of State can live with the difference.

3. These additional amounts will be offered to the teachers and their employers on the basis that they are strictly conditional, first on an early resumption of normal working and, second, on agreement to the programmes of improvements and changes in teachers' conditions of service which the Secretaries of State have in mind, and of course to the implementation of these programmes. It is to be made very clear that if either of these conditions is not delivered, the additional money will not be forthcoming. Equally, while the detailed negotiations must be left to the Secretaries of State, it is also to be made clear that there is no more money available. This the Secretaries of State accept.



4. The Secretaries of State are of the opinion that expenditure of this order and on this timing should result not only in a cessation of the present industrial action but also in worthwhile long-term improvements in teaching standards in this country. The additional sums I have agreed to are very considerable, and will be felt in our efforts to constrain public expenditure, but the end result should be worthwhile.

5. The Secretaries of State plan separately to announce these moves next Monday, 5 August. My officials are liaising with their officials over the handling of these announcements. It will be important to minimise the raising of expectations elsewhere, and any question that may be raised about our stance on public expenditure control.

6. I am copying this minute to Keith Joseph and George Younger, and to Sir Robert Armstrong.

A handwritten signature in black ink, appearing to be 'NL' with a flourish.

NIGEL LAWSON

2 August 1985

subject cc master



file

10 DOWNING STREET

1 August 1985

From the Private Secretary

Jean RB,

The Prime Minister held a meeting today to discuss the latest position on teachers' pay both in England and Wales and in Scotland. Your Secretary of State, the Lord President of the Council, the Chancellor of the Exchequer, the Secretaries of State for Scotland, Wales, Northern Ireland, the Environment and Employment were present, as was Mr. Wiggins.

The Secretary of State for Education and Science, introducing his paper, said that the present situation in schools in England and Wales was extremely serious. Attitudes amongst the majority of teachers, under the malign influence of the National Union of Teachers, had turned sour. Although a minority of loyal teachers and most head teachers were standing firm there was no doubt that motivation was suffering and recruitment, especially amongst shortage subjects, had tailed off. At the same time, there was a very considerable prize to be won through a satisfactory settlement in the form of higher standards in schools, achieved by means of a clear definition of teachers' duties and a rigorous system of appraisal of performance. Such a settlement was, however, unattainable unless the Government was prepared to offer more for a package along these lines than had been envisaged at previous meetings. A package of the size necessary to clinch a deal was set out in the paper before the meeting. The risk in not offering such a deal was not that no settlement would be reached: it was that the local authority employers, who now had a Labour majority, would reach an expensive settlement with the unions which would offer no progress whatsoever towards the Government's objectives. The problems facing the education system would not improve, but would in fact get worse towards the end of the 1980s and in the 1990s when the proportion of the age group needed for the teaching profession was expected to rise to about 20 per cent.

In discussion of the proposals put forward by the Secretary of State for Education and Science the following points emerged:

- (i) There was some doubt as to whether the proposals were sufficiently clear on the system of appraisal which would be introduced. There was some suggestion amongst teachers, for example, that a

SPW

system could not be implemented for 10 years. The Secretary of State for Education and Science was however satisfied that a system could be fully in place in two years.

- (ii) It was already clear that although it was in the interests of the education system to target pay increases on better teachers, the unions would require something for everyone. It was estimated that under the proposals before the meeting between half and two-thirds of teachers would benefit to some degree although major increases would be confined to perhaps a fifth.
- (iii) There was general agreement that head teachers and deputy head teachers together with teachers in shortage subjects, such as maths and science, should receive favourable treatment, although the unions would undoubtedly resist. This should form an essential part of the Government's presentation of its case.
- (iv) It was agreed that as part of any package a sum of £35 million each year to buy out lunchtime duties should be made available. There were however differing views about the sums suggested in the paper before the meeting which would add considerably to the difficulty the Government would face in holding to the agreed public expenditure totals. If major increases in public expenditure were to be contemplated, the Government would need clear assurances that their policy objectives in terms of teachers' duties and teacher appraisal would be achieved.

On the position in Scotland the Secretary of State for Scotland reported that matters were possibly even more serious than in England and Wales. The new term was now less than two weeks away and there was every indication that industrial action would resume at even greater intensity. The patience of parents, which had held up well in the previous school year, could not now be relied upon and there was a danger of a political backlash against the Government. In consultation with the Council of Scottish Local Authorities (COSLA) the Scottish Office had produced a package of measures which the Secretary of State judged sufficient to resolve the dispute and make significant steps towards the Government's objective of improved standards. The package included a redefinition of teachers' duties and a 7½ per cent increase in teachers' required working hours, as well as a salary structure which would reward good classroom teachers. This represented a very considerable prize and would provide an annual total of 100 additional hours from each teacher under the control of the local authority. The cost was considerable at 15 per cent over three years over and above the settlements that would have been reached in the normal negotiating process, but the Secretary of State judged that a substantial offer was needed simply to bring the unions into negotiations.

In discussion of the paper produced by the Secretary of State for Scotland the following points were made:

- (i) There was some doubt as to whether the arrangements for additional payments of some teachers would be made on the basis of performance rather than on long service and course attendance. The latter two were an insufficient guide to quality although in Scotland the Secretary of State had more control over the content and marking of courses than his English counterpart.
- (ii) Even under the package proposed by the Secretary of State Scottish teachers would be contractually obliged to work for only 27½ hours per week in school with a maximum of 23½ hours in class for secondary teachers. Much of the additional 100 hours could also be spent outside school and indeed authorities could close secondary schools for up to 10 days a year to allow for curricular development. Against this it was pointed out that the additional hours envisaged in the proposals would be under the control of the local authority and that teachers would be obliged to undertake the very activities, such as curricular development and parent liaison, which they were refusing at present. Moreover the proposals, while not perfect, were a considerable improvement over the existing arrangements.
- (iii) Although it was recognised that the Scottish teaching unions were refusing to negotiate at all unless a substantial offer was made the package set out in the Secretary of State's paper would represent a very considerable increase in pay, especially since it was in addition to the figures negotiated in the normal way. There would be a knock-on effect both in England and Wales and amongst those groups, such as the Civil Servants, who perceived themselves as not having been well treated. In order to minimise this effect, and in recognition of the fact that the increases would be unequally distributed among teachers, it would be better to present the figures not as a percentage increase, but in global terms and to treat the package for England and Wales in the same way.

In a discussion of the timing of any offer it was noted that one option was to stand firm and make no further offer. Indeed there was a case for giving the teaching unions a choice between accepting the fair terms now available and calling an all out strike, rather than the present industrial action which cost them very little indeed. Against this, however, it was highly unlikely that the employers would cooperate in such a strategy. Moreover, although public opinion was certainly against the teachers' industrial action, it was also in favour of their pay claim. For the Government to be seen to be allowing pupils' education to be disrupted yet again would have an adverse

political effect. Moreover, if the Government did not move there was a danger that the local authorities would reach a highly unsatisfactory settlement with the teachers which would merely compound the problem.

Summing up the discussion the Prime Minister said that the need for some Government initiatives was reluctantly accepted. But the terms of any new offers to the teachers should ensure that, if more money was made available, a proper definition of duties and a proper system of appraisal were actually achieved. There should in addition be favourable treatment for head teachers and deputy head teachers and teachers in shortage subjects. In addition the Secretary of State for Scotland should ensure that his proposals spelled out more clearly the need for good classroom performance before teachers transferred to any special salary scale. The Secretaries of State for Education and Science and Scotland should now consult the Chancellor urgently on the detailed structure of the offers which they were proposing and what additional funds might be made available.

I am sending a copy of this letter to Joan MacNaughton (Lord President's Office), Rachel Lomax (H.M. Treasury), John Graham (Scottish Office), Colin Williams (Welsh Office), Jim Daniell (Northern Ireland Office), John Ballard (Department of the Environment), David Normington (Department of Employment) and Richard Hatfield (Cabinet Office).

Yours ever

Tim Flesher

(Timothy Flesher)

R.L. Smith, Esq.,
Department of Education and Science.

PART 4 ends:-

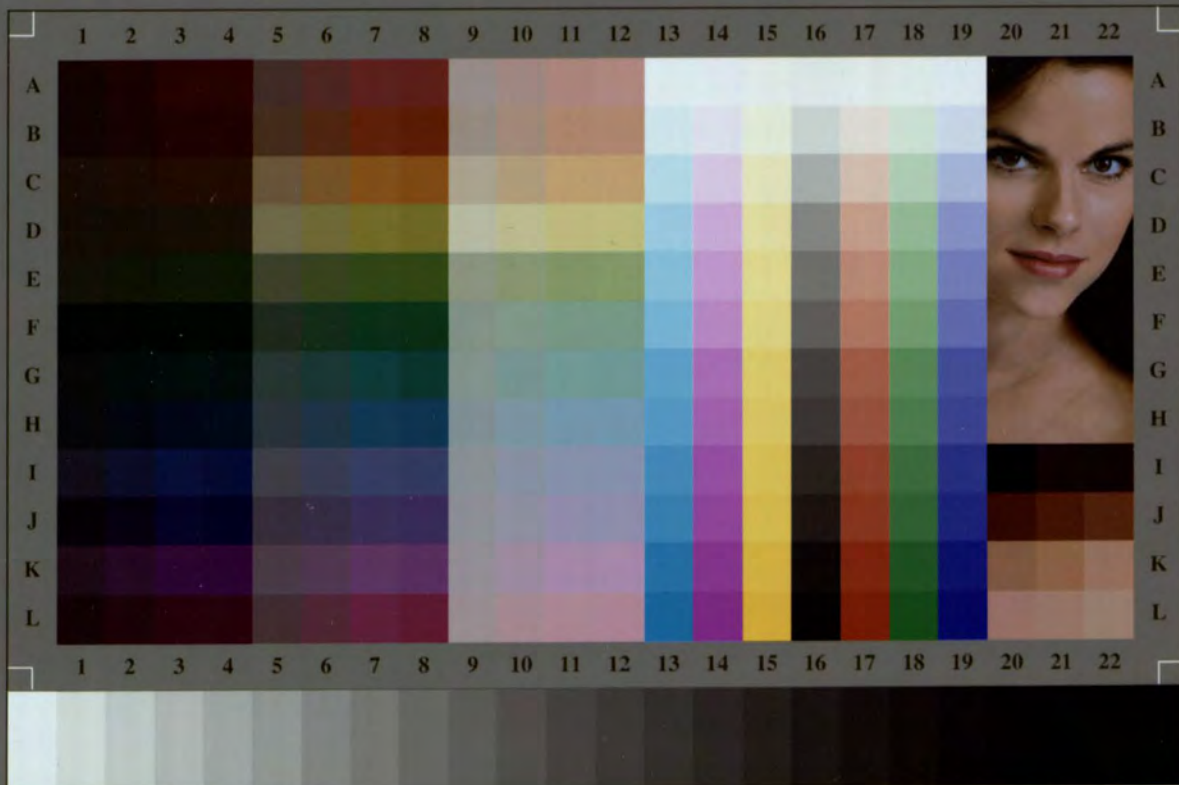
Loose Notes (Undated)

PART 5 begins:-

TF to DES (Meeting Record) 1.8.85

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