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PART B

Part B

CONFIDENTIAL

(Circulate under cover and notify REGISTRY of movement)

Begins: 20/10/87.
Ends: 17/10/88



PO -CH /NL/0115



PART B

Chancellor's (Lawson) Papers:

**NEGOTIATIONS OVER
TEACHERS PAY AND
CONDITIONS**

PO -CH /NL/0115
PART B

Disposal Directions: 25 Year

[Signature]
16 D.A.
~~16~~/8/95

pwp

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ELIZABETH HOUSE
YORK ROAD
LONDON SE1 7PH
01-934 9000

CH/EXCHEQUER	
REC.	20 OCT 1987 ✓
ACTION	Mr De BERKER
COPIES TO	CST PMG SIR P. MIDDLETON MR FERBUTLER MR ANSON MR KEMP MR GILMORE MR KALVIN MR GILHOULY MR BURR MR BATTER MR KELLY MR FELGOTT MR CROPPER MR TYLE

C/ See my note on
Page 2 - s/t/ins
to mention at
pm bilateral

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

20 October 1987

Dear Nigel

REMIT FOR THE INTERIM ADVISORY COMMITTEE

Thank you for your letter of 16 October. I am grateful to know that you agree that there would be presentational advantage in issuing the remit to the Interim Advisory Committee on the same day that we publish the Green Paper on future machinery for school teachers' pay and conditions.

Attached to your letter of 6 October were a number of drafting suggestions. Our officials have been discussing your suggestions: I understand that they are making useful progress in trying to reach agreement on the details of the remit letter.

The critical issue concerns the nature of the financial constraint. Now that discussions have taken place at official level with the local authority associations about teacher numbers in 1988/89 I am in a position to define the relevant figures as £7296m for the total size of the teachers' pay bill for 1988-89 and £281m for the increase in 1988-89 commensurate with an average 4% increase in pay from April 1988. These figures include provision for teachers in Wales as the IAC remit extends to Wales: they are therefore rather bigger than the figures which you quote in your letter.

I continue to think that we should set the financial constraint as the total for the pay bill and not as a cash increase. If we give the Interim Advisory Committee an increase figure of £281m it will very quickly be identified as meaning an average 4% increase. There would be no real scope for arguing otherwise. The advantage of the overall figure is that it makes it possible for the Government to deny that the permitted average pay increase will necessarily be precisely 4%: although I readily acknowledge that in practice the scope for any departure from 4% will be limited. This seems to me more in line with the Government's approach to cash planning.

We cannot ignore Henry Chilver's view that he would have difficulty holding the Committee together if we gave them a remit which too obviously amounted to a percentage increase. My letter of 14 October made clear his view that if the remit was expressed in terms of a cash increase that figure would be quickly and easily translated into a percentage uplift. He felt it important that the Committee should, in principle, have some room for manoeuvre in the trade-off between the number of teachers and the level of remuneration.

BAKER
TO
CH/EX
20/10

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Whichever figure we include in the remit there is a danger of resignations. I judge it is significantly greater if we give an increase figure. If there are any resignations the Government's policy of setting up an Interim Advisory Committee through the Teachers' Pay and Conditions Act will have been called into question and more than one resignation will bring it into severe disrepute. But whatever the remit given to the IAC we are not bound to accept its recommendations about pay increases if we have good reason to think they are incompatible with the financial constraint we shall be imposing. For this reason I think the fears in the third and fourth paragraphs of your letter are misplaced.

In view of the potential repercussions of the decision about the financial constraint I believe that we ought to make a decision at E(EP) at its next meeting on Monday 26 October. I shall therefore minute the Prime Minister, copying to the other members of E(EP), setting out the background in advance of that meeting. As the Interim Advisory Committee is to meet on Wednesday 28 October my intention would then be to publish both the Green Paper and the remit on Tuesday 27 October.

This letter is copied to the Prime Minister, Willie Whitelaw, Nicholas Ridley and Sir Robert Armstrong.

I wd have thought this wd call it into severe disrepute as well!

Thompson
Kinnell

Not clear to me if you sd also minuted the PM as well. Everything we had to say was contained in your letter of 16 Oct - but presumably Baker will only be repeating what he has said before. Officials will consider - do you have any views. Meanwhile why not make a pre-emptive strike & mention it to the PM at your bilateral?

CE 20/10



FROM: N G FRAY

DATE: 21 October 1987

MR de BERKER

**GREEN PAPER ON FUTURE MACHINERY FOR SCHOOL TEACHERS'
PAY AND CONDITIONS**

The Chancellor has seen and was grateful for your minute of 19 October.

Nigel Fray
N G FRAY

CONFIDENTIAL

1. MR KEMP *Agreed in draft.*
2. CHANCELLOR OF THE EXCHEQUER

FROM: J DE BERKER
DATE: 22 October 1987

cc. Chief Secretary
Paymaster General
Sir Peter Middleton
Mr F E R Butler
Mr Anson
Mr Kemp
Mr Gilmore
Mr Hawtin
Mr Gilhooly
Mr Burr
Mr Potter
Mr Kelly
Mr Fellgett
Mr Cropper
Mr Tyrie
Mr Call

C/minute to issue?

CR 23/10

JK

REMIT FOR THE INTERIM ADVISORY COMMITTEE

You will have seen Mr Baker's letter of 20 October in response to yours of 16 October. He rehearses the familiar arguments for giving the IAC the whole paybill rather than the increase, and suggests that the decision is taken at E(EP) on Monday. The remit and the Green Paper would then be published on Tuesday 27 October. In the meantime he will be minuting the Prime Minister with copies to other members of E(EP), to put his side of the case.

2. You will also note that there have been discussions at official level on the IAC remit. We understand that the revised remit will be attached to his forthcoming minute to the Prime Minister. Apart from a paragraph which will specify the total paybill rather than the cash increase it should now be acceptable to you.

3. The other development is that Mr Baker has produced DES figures for the total paybill (£7296m including the 4 per cent increase) and the increase itself (£281m) which are higher than the figures we have been using as approximates. In fact the DES now say that

below

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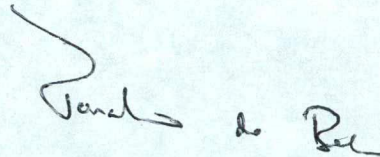
this figure for the increase is too low because of an error in calculating London Weighting, it ought to be £284m.

4. The baseline for the latest DES estimate of the paybill in England, is about £65m more than the figure we agreed with DES for the E(LA) paper in September. Officials are looking into the discrepancy, but it only underlines the importance of avoiding statistical ambiguities by sticking to the cash increase. This is only £14m more than the number we were previously using.

5. There seems no point in replying to Mr Baker, but you will want to put your side of the case to the Prime Minister and the other members of E(EP) in time for Monday's meeting. A draft minute to the Prime Minister is attached.

6. A separate submission with briefing for E(EP) will follow.

7. HE and LG are content.



JONATHAN DE BERKER

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Attachments
to go or back~~DRAFT~~ MINUTE

TO: PRIME MINISTER
FROM: CHANCELLOR OF THE EXCHEQUER

COPIES: Other members of E(EP) and Sir Robert Armstrong

REMIT FOR THE INTERIM ADVISORY COMMITTEE

As you know, the remit for the Interim Advisory Committee (IAC) on teachers' pay is to be discussed again at E(EP) on Monday. Kenneth Baker will be arguing in favour of letting the IAC consider the distribution of teachers' **total paybill**. I think this would be extremely unwise. It would be much better to restrict their deliberations to the amount we have planned to spend on teachers' **pay increases**.

At E(LA) provision for education expenditure in England was decided on the basis of a Treasury paper which assumed a 4 per cent pay award for teachers. At E(EP) it was agreed that the IAC remit should place a ^{quantifiable} ~~quantifiable~~ and unambiguous ^{cash} ceiling on the cost of their recommendations. I think these decisions should be implemented.

Kenneth is afraid that the IAC will resign. He feels that giving them the total paybill (£7296m according to the most recent DES estimates) may prevent this, because, as he admitted in his letter

of 14 October, it gives them room to consider a trade off between the number of teachers and the level of their remuneration. But, as I said in my reply, neither he, nor the IAC, have any control over teacher numbers. This is in the hands of the local authorities, and is totally unenforceable. But they could make an assumption about those numbers designed to give headroom within the paybill for a larger pay increase. This would therefore allow scope for a fudge which would give teachers significantly more than 4 per cent (the likely increase in the RPI next March).

We cannot risk further damagingly high increases for individuals, especially after the 1986-87 increases. If we give the IAC the cash increase (£284m according to DES estimates) they cannot finance higher pay increases by "assuming" fewer teachers. If they are given the total paybill they have only to "assume" as little as 1 per cent fewer teachers to give themselves another £73m to distribute; ie. 5 per cent rather than 4 per cent. In other words, there would be no effective constraints on the size of pay increases for ~~individuals~~ teachers.

I therefore think that it is essential to stick with the maximum cash increase. It is unambiguous, and not greatly affected by small variations in teacher numbers.

I am sending copies attaching the latest exchange of correspondence between Kenneth and myself to the other members of E(EP), and to Sir Robert Armstrong.

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CH/EXCHEQUER	
REC.	22 OCT 1987 22/10
ACTION	MR de BERKER
COPIES TO	CST PMG S 12 P. MIDDLETON MR FER BUTLER MR ANSON MR KEMP MR GILMORE MR HARTIN MR GILBERT MR BURR MR POTTER MR KELLY MR FELLERS MR CROPPER MR VALE

22/10/87.

PRIME MINISTER

REMIT TO THE INTERIM ADVISORY COMMITTEE ON SCHOOL TEACHERS' PAY AND CONDITIONS

At E(EP) on 11 September it was concluded that the Interim Advisory Committee should be given a firm, calculable limit on the cost of its recommendations for the April 1988 teachers' pay settlement. It was left to Nigel Lawson and me to agree a revised version of the remit for the Interim Advisory Committee. We have not been able to reach agreement on one critical aspect of the remit. I have therefore asked if we could have a brief discussion on this issue at E(EP) on Monday 26 October.

2. Attached is a copy of the remit that I propose to send to Lord Chilver, the Chairman of the Interim Advisory Committee. The remit includes a number of detailed amendments arising from suggestions which Nigel Lawson has made: the amendments have been discussed with Treasury officials and are unlikely to be controversial. The unresolved issue concerns paragraph 6(ii) which deals with the financial constraint.

3. At E(EP) we considered the possibility of setting a constraint for the IAC in terms of a percentage increase. Various objections were made to this approach: for example the figure could easily be seen as a norm for all teachers, whereas the Government would want to see variations in the percentage increase awarded to different groups of teachers, and it might also be seen as a norm for other groups of public sector employees.

4. Our preference is to set the constraint in terms of a cash figure. The choice is between a figure of £7296m for the total size of the teachers' pay bill for 1988-89 or £284m for the increase in 1988-89 commensurate with an average 4% increase in pay from April 1988 (including £3m on account of the adjustment to be expected in the London allowances).

5. The overall figure does provide a bit more flexibility than does the increase figure. If we give the Interim Advisory Committee an increase figure of £284m it will very quickly be identified as meaning an average 4% increase. There would be no real scope for arguing otherwise. The advantage of the overall figure is that it makes it possible for the Government to deny that the permitted average pay increase will necessarily be precisely 4%. In practice the scope for any departure from 4% will be limited. This latter approach seems to be more in line with the Government's approach to cash planning. It also reduces,

BAKER TO PM 22/10

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to some degree, the criticism that the Government is setting a pay norm of 4%.

6. I have spoken to Henry Chilver who intends to be very firm with his Committee. He is prepared to see a cash ceiling and has been endeavouring to prepare the way with his Committee for a cash constraint. But his very clear view is that he would have difficulty holding the Committee together if we gave them a remit which too obviously amounted to a precise percentage increase. In his view if the remit is expressed in terms of a cash increase that figure would be quickly and easily translated into a percentage uplift. He felt it important that the Committee should, in principle, have some room for manoeuvre in the trade-off between the number of teachers and the level of remuneration.

7. Whichever figure we include in the remit there is a danger of resignations. I judge it is significantly greater if we give an increase figure. If there are any resignations, the Government's policy of setting up an Interim Advisory Committee through the Teachers' Pay and Conditions Act will have been called into question and more than one resignation will bring it into severe disrepute. Whatever the remit given to the IAC we are not bound to accept its recommendations about pay increases if we have good reason to think they are incompatible with the financial constraint we shall be imposing.

8. I would be grateful if a decision could be reached in E(EP) about the nature of the financial constraint as the Interim Advisory Committee is due to meet on Wednesday 28 October and I would like to publish the remit on Tuesday 27 October. I would prefer paragraph 6(ii) of the remit to read as follows:

'The recommendations of the Committee should be such that the costs of employing school teachers in the financial year 1988-89 are not greater than the total provision to be made for this purpose within the Government's plans for expenditure by local authorities in England and Wales and should not result in higher costs in later years. The relevant figure for the 1988-89 financial year is £7296m.'

If the Chancellor's preference were accepted the relevant sentence would need to be on the following lines

'The recommendations of the Committee should be such that they do not cost more than an additional £284m in the 1988-89 financial year or in later years.'

9. This minute is copied to the Chancellor, all other members of E(EP) and Sir Robert Armstrong.

K.B.

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DRAFT LETTER FROM THE SECRETARY OF STATE TO LORD CHILVER, CHAIRMAN OF THE INTERIM ADVISORY COMMITTEE

1. I am grateful to you and your colleagues for agreeing to be members of the Interim Advisory Committee. The purpose of this letter is to set out the issues on which the Government now seeks the Committee's advice.

2. As you know, the Committee has a statutory basis. Sub-sections (1) and (4) of Section 2 of the Teachers' Pay and Conditions Act provide that:

"The Secretary of State shall appoint an Interim Advisory Committee on School Teachers' Pay and Conditions to examine and report to him on such matters relating to the remuneration and other conditions of employment of school teachers in England and Wales as he may refer to them."

"The Secretary of State may give directions to the Committee with respect to matters referred to them as to considerations to which they are to have regard and financial or other constraints to which their recommendations are to be subject, and as to the time within which they are to report to him."

3. Sub-section (5) of Section 2 provides that the Committee shall give notice of matters referred to the Committee and of any relevant directions to the appropriate associations of local education authorities and any individual local education authority with whom consultation appears desirable, bodies representing the interests of governors of voluntary schools and organisations representing school teachers, so as to afford them a reasonable opportunity of submitting evidence and representations.

4. In accordance with Section 2 of the Teachers' Pay and Conditions Act 1987 I invite the Interim Advisory Committee to examine and report on the following matters subject to the considerations in paragraph 5 and to the constraints in paragraph 6.

- i. What changes should be made in the figures for salaries and allowances, and other details, set out in the Pay section of the School Teachers' Pay and Conditions Document 1987?

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- ii. Should there be any modifications to the provision for differentials within the pay structure? In particular do the differentials between heads' salaries and deputies' salaries and between heads' and deputies' salaries on the one hand, and other teachers' salaries on the other, reflect appropriately the responsibilities of heads and deputies in primary and secondary schools (including special schools)?
 - iii. In the light of the operation of the arrangements in the Teachers' Pay and Conditions Document 1987 should there be any modifications to the provisions relating to teachers' duties?
 - iv. Should there be any change in London area allowances, and should any other regional variations in salaries be introduced taking account of shortages of teachers in particular areas and of particular skills?
 - v. Is the existing social priority allowance still appropriate?
5. In considering these matters I direct the Committee under sub-section (4) of Section 2 to have regard to the following considerations.
- i. The Government's view is that school teachers' pay and conditions of service should be such as to enable the maintained school system to recruit, retain and motivate sufficient teachers of the required quality both nationally and at local level within what can be afforded.
 - ii. The School Teachers' Pay and Conditions Document 1987 sets out a new pay structure and a new definition of teachers' duties and working time. It was prepared taking account of work undertaken during the long period of discussions between the local authority associations and the teachers' unions with the assistance of ACAS, the recommendations in the Main Report, and views expressed in consultations with local education authority associations, teacher unions and bodies representing the interests of governors of voluntary schools. The Government does not intend to make major changes to the pay structure consisting of a main professional scale and five rates of incentive allowances or to the provisions relating to teachers' duties and working time for 1988-89.
6. I further direct under sub-section (4) of Section 2 that the Committee recommendations are to be subject to the following constraints.

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- i. The rates of salaries and allowances to be recommended by the Committee shall be in respect of the period 1 April 1988 to 31 March 1989. The Committee may also consider and make recommendations about the London area allowances from 1 July 1987.
 - ii. The recommendations of the Committee should be such that the costs of employing school teachers in the financial year 1988-89 are not greater than the total provision to be made for this purpose within the Government's plans for expenditure by local authorities in England and Wales and should not result in higher costs in later years. The relevant figure for the 1988-89 financial year is £7296m.
7. My Department will in due course place evidence before the Committee in relation to these matters.
8. I further direct the Committee to report to me the results of their examination of these matters, with their recommendations and such other advice relating to these matters as they think fit, by 31 March 1988. Sub-section 7 of Section 2 of the Act requires me to arrange for your report to be published.

CONFIDENTIAL



10 DOWNING STREET
LONDON SW1A 2AA

CH/EXCHEQUER	
REC.	22 OCT 1987 ✓ 22/10
ACTION	Mr DeBorja
COPIES TO	CST PMG SVP, MIDDLETON MR FERBITLER MR ANTON MR KEMP MR GWAIRE MR GILHURST MR HASTON MR KERR MR LESTER MR KELLY MR RILEY MR CRAMER MR TIBB MR CAN

PS/NO10
TO
PS/DES
22/10

From the Private Secretary

22 October 1987

Dear Tom,

THE GREEN PAPER ON FUTURE MACHINERY FOR TEACHERS' PAY AND CONDITIONS

The Prime Minister has seen the revised draft of the Green Paper on teachers' pay which was circulated with your Secretary of State's minute of 15 October.

The draft has been amended (paragraphs 7.23 and 7.45) so that a negative resolution rather than an affirmative resolution would now be required to apply pay settlements across the country. This amendment was made in response to my letter of 12 October which recorded the Prime Minister's arguments against the use of an affirmative resolution procedure. My letter was not as clear as it might have been: the Prime Minister was in fact questioning whether any resolution should be required.

The Prime Minister believes this to be a point of sufficient importance to warrant further discussion and she would like to add it to the agenda for E(EP) on Monday 26 October.

I am copying this letter to the Private Secretaries to members of E(EP) and Trevor Woolley (Cabinet Office).

Yours,

David.

DAVID NORGROVE

Tom Jeffery, Esq.,
Department of Education and Science

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23/10/87

Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

cc Chief Secretary
Paymaster General
Sir P Middleton
Mr F E R Butler
Mr Anson
Mr Kemp
Mr Gilmore
Mr Hawtin
Mr Gilhooly
Mr Burr
Mr Potter
Mr Kelly
Mr de Berker
Mr Fellgett
Mr Cropper
Mr Tyrie
Mr Call

CH/EX
TO
PM
23/10

PRIME MINISTER**REMIT FOR THE INTERIM ADVISORY COMMITTEE**

As you know, the remit for the Interim Advisory Committee (IAC) on teachers' pay is to be discussed again at E(EP) on Monday. Kenneth Baker will be arguing in favour of letting the IAC consider the distribution of teachers' **total paybill**. I think this would be extremely unwise. It would be much better to restrict their deliberations to the amount we have planned to spend on teachers' **pay increases**.

At E(LA) provision for education expenditure in England was decided on the basis of a Treasury paper which assumed a 4 per cent pay award for teachers. At E(EP) it was agreed that the IAC remit should place a quantified and unambiguous cash ceiling on the cost of their recommendations. I think these decisions should be implemented.

Kenneth is afraid that the IAC will resign. He feels that giving them the total paybill (£7296 million according to the most recent DES estimates) may prevent this, because, as he admitted in his letter of 14 October, it gives them room to consider a trade off between the number of teachers and the level of their remuneration. But, as I said in my reply, neither he, nor the IAC, have any control over teacher numbers. This is in the hands of the local authorities, and is totally unenforceable. But they could make an assumption about those numbers designed to give headroom within the paybill for a larger pay increase. This would therefore allow scope for a fudge which would give teachers significantly more than 4 per cent (the likely increase in the RPI next March).

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We cannot risk further damagingly high increases for individual teachers, especially after the 1986-87 increases. If we give the IAC the cash increase (£284 million according to DES estimates) they cannot finance significantly higher pay increases by "assuming" fewer teachers. If they are given the total paybill they have only to "assume" as little as 1 per cent fewer teachers to give themselves another £73 million to distribute; ie a 5 per cent increase rather than 4 per cent. In other words, there would be no effective constraints on the size of pay increases for teachers.

I therefore think that it is essential to stick with the maximum cash increase. It is unambiguous, and not greatly affected by small variations in teacher numbers.

I am sending copies attaching the latest exchange of correspondence between Kenneth and myself to the other members of E(EP), and to Sir Robert Armstrong.

Cathy Ryding

PP

N.L.

23 October 1987

(Approved by the Chancellor
and signed in his absence.)

CONFIDENTIAL

FROM: J DE BERKER
DATE: 23 OCTOBER 1987

1. MR GILHOOLY
2. CHANCELLOR OF THE EXCHEQUER

1 agree.
[Signature]
23/10

- cc Chief Secretary
Paymaster General
Sir P Middleton
Mr F E R Butler
Mr Anson
Mr Kemp
Mr Scholar
Mr Gilmore
Mr Hawtin
Mr Gilhooly
Mr Burr
Mr Potter
Mr Kelly
Mr Fellgett
Mr Cropper
Mr Tyrie
Mr Call

BRIEFING FOR E(EP): 26 OCTOBER

There are three items for discussion:

- i. Green Paper on future machinery for School Teachers' Pay and Conditions;
 - ii. Remit to the Interim Advisory Committee on School Teachers' Pay and Conditions. And
 - iii. Financial Delegation to Schools.
2. Briefing for the Green Paper and the IAC remit is attached. HE will brief separately on financial delegation to schools.

[Signature]
J De Berker

J DE BERKER

ENC

2). Green Paper on future Machinery for School Teachers' Pay and Conditions

Background

The text is now agreed^e except for one point. Earlier versions of the Green Paper suggested the use of an affirmative resolution if the Teachers' Negotiating Group is unable to agree and it is necessary to impose a settlement. This mirrors the provisions in the Teachers' Pay and Conditions Act for overriding the recommendation of the IAC.

2. Following a letter from the Prime Minister's Private Secretary on 12 October, the Green Paper was amended to suggest the negative resolution procedure instead. In a subsequent letter from Mr Norgrove dated 22 October, it now transpires that the Prime Minister has questioned whether any resolution should be required.

The Issues

3. The first issue is whether it is possible to get legislation through Parliament which will allow the Secretary of State for Education to impose settlements in the absence of a Parliamentary procedure. Secondly, if it is possible, is it desirable?

4. Lord Whitelaw's officials think he will take the view that if a Parliamentary Procedure is omitted from the Bill the Lords will add it at a later stage, and that it will probably be the affirmative resolution procedure. So it is probably best to include the negative resolution procedure from the beginning in the hope that this will go through unamended. This is a view which is likely to be shared by many of your colleagues.

5. On whether it is desirable to have a Parliamentary Procedure, Mr Baker may argue:

- (a) It is hard to justify departing from the precedents in the Teachers' Pay and Conditions Act. This provides for a negative resolution procedure when imposing settlements and an affirmative resolution if it is necessary to override the IAC.

(b) Unlike civil servants, teachers are not the direct employees of the Crown. The override powers for Doctors' and Nurses' review boards do not require Parliamentary Procedures. But settlements for the police, who are not central government employees, have to be ratified by a negative resolution.

(c) It is easier for a Minister to impose a settlement if the onus can be shared with Parliament.

6. Against these arguments is your own view that a Parliamentary Procedure may make an override power virtually unusable. The Prime Minister is not in favour of these mechanisms either.

Line to take

7. Other Ministers will probably take Lord Whitelaw's view that either a negative or an affirmative resolution is unavoidable as the Lords will add it later if it is omitted. However, you may wish to support the Prime Minister on the grounds that the next item on the agenda is the IAC remit and any support from her on this would be very helpful. The negative resolution procedure is the fallback.

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FROM: J DE BERKER

DATE: 3 DECEMBER 1987

1. MR GILHOOLY *Agreed in draft.*
2. CHANCELLOR OF THE EXCHEQUER

cc Chief Secretary
 Paymaster General
 Sir Peter Middleton
 Mr Anson
 Miss Mueller
 Mr Kemp
 Mr Kelly
 Mr Gilmore
 Mr Houston
 Mr Burr
 Mr Potter
 Mr Kelly
 Mr Fellgetts
 Mr Cropper
 Mr Tyrie
 Mr Call

*Ch/ content for DES evidence
 to go forward?*

*mpw
 3/12*

EVIDENCE FROM THE DEPARTMENTS OF AND SCIENCE TO THE IAC

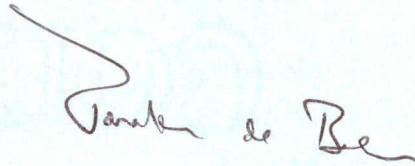
1. In his letter to Lord Chilver of 27 October setting out the IAC remit **Mr Baker promised that the DES would submit evidence to the Committee. This is attached.** Oral evidence and responses to future questions will be provided if required, but DES officials expect this to be the main item.
2. The evidence has been **agreed at official level between the Treasury and the DES, and approved by Mr Baker.** The original draft was **modified considerably in the light of Treasury comments.** We **think you should now find it acceptable.** The DES would **like to send the evidence to the IAC by the weekend if you are content.**
3. The evidence consists of 27 paragraphs of text and some statistical annexes. **The first seven paragraphs set out the background.** The **key point here is in paragraph 4 which makes it clear that teachers have already had a 25 per cent increase between March 1986 and October 1987.**
4. **Paragraphs 8 to 12 describe what the £300m in the remit is intended to pay for,** and the economic background. They also cover the vacancy position, and recruitment to teacher training courses. Both of these appear to be extremely **healthy.**
5. The evidence shows that in January 1987 the overall vacancy rate in England

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and Wales was $1\frac{1}{4}$ per cent with the most serious shortage in Greater London where the vacancy rate was 3 per cent. Between January 1986 and January 1987 vacancies in shortage subjects fell by about a fifth, and are now running at the same level as the overall vacancy rate, and displaying a similar pattern ie, with the worst shortage in Greater London. On recruitment to teacher training courses the picture is one of increasing recruitment to rising targets. On the basis of the evidence here it will be very difficult to make a case for large increases across the board for all teachers.

6. Paragraphs 13 to 21 contain descriptive material on incentive allowances, and paragraphs 22 to 27 are basically a paraphrase of the IAC remit.

7. HE are content.

A handwritten signature in dark ink, appearing to read 'J De Berker', is written over a large, faint 'CONFIDENTIAL' watermark.

J DE BERKER

EVIDENCE FROM THE DEPARTMENT OF EDUCATION AND SCIENCE TO THE INTERIM ADVISORY COMMITTEE ON SCHOOL TEACHERS' PAY AND CONDITIONS

1. The letter from the Secretary of State for Education and Science to Lord Chilver of 27 October requested advice from the Interim Advisory Committee. In accordance with Section 2 of the Teachers' Pay and Conditions Act 1987 the letter invited the Committee to examine and report on specified matters set out in paragraph 4 subject to considerations in paragraph 5 and to constraints in paragraph 6 of the letter. The Secretary of State said in his letter that his Department would place evidence before the Committee in relation to the matters on which advice is sought.

BACKGROUND

2. The Document entitled 'School Teachers' Pay and Conditions Document 1987', which relates to England and Wales, sets out conditions of employment for school teachers and provisions for the determination of their pay. It relates to school teachers in primary or secondary schools - including special schools - maintained by a local education authority and to other persons employed by a local education authority as teachers in the provision of primary and secondary education, other than persons employed as teachers in establishments maintained by a local authority in the exercise of a social services function.

3. The Document recognises the importance of bringing together matters concerned with pay and conditions of employment. Its provisions were brought into effect on 1 October 1987 by the Order entitled the Education (School Teachers' Pay and Conditions) Order 1987 and further guidance was given in Circular 8/87. The Committee already have copies of this material.

4. As a result of the pay changes implemented with effect from 1 October, average teachers' pay has increased by 16.4% in two stages in 1987 and, on average, teachers' pay has now increased by 25% between March 1986 and October 1987. The average increase of 16.4% for teachers in England and Wales is the same as that implemented for teachers in Scotland following the recommendations of the Main Committee. The proposals for the pay structure in England and Wales were modified to take account of the different circumstances in the two countries and following consultation on the initial proposals. The pay scales and allowances set

out in the Teachers' Pay and Conditions Document 1987 are intended to support the recruitment, retention and motivation of sufficient teachers of the required quality. These arrangements provide for a considerable degree of flexibility within appropriate constraints.

5. The provisions in the Teachers' Pay and Conditions Document 1987 dealing with conditions of employment are intended to contribute to the more effective management of schools by setting out duties which teachers can be required to undertake and specifying the time during which teachers are expected to work on particular tasks under the reasonable direction of the head. The arrangements for teachers' duties and working time are based closely on proposals developed during discussions in 1986 under the auspices of ACAS. These proposals were further refined in detailed consultations with representatives of the local authority associations, teacher unions and the churches. The lists of duties are not exclusive; nor do they involve the imposition of fresh tasks not previously undertaken by conscientious heads and their staff.

6. The Document makes clear that head teachers must carry out their professional duties in accordance with

- a. The provisions of the Education Acts 1944 to 1986;
- b. any orders and regulations having effect thereunder;
- c. the articles of government of the schools of which they are head teachers, to the extent to which the content is prescribed by statute;
- d. where the school is a voluntary school, any trust deed in relation thereto.

Teachers in schools are required to carry out their professional duties under the reasonable direction of the head teacher. The duties which an individual teacher will be required to undertake will depend on the type of school and the role of the teacher.

7. The new pay structure and the newly defined conditions of employment will take a little time to settle down. There will inevitably be reservations from some teachers about the new arrangements. However there has been a welcome return over recent months to an acceptance of the necessity of such elements of school life as staff and parents' meetings together with an absence of industrial action other than at a very localised level.

RELEVANT STATISTICAL DATA

8. Pupil numbers have been falling for nearly ten years. Teacher numbers have been reducing at a lower rate than pupil numbers and therefore the pupil:teacher ratio (PTR) has continued to fall. There were 449,000 (full-time equivalent) teachers employed in the provision of primary and secondary education by local education authorities in England and Wales at January 1987 including those in special schools and providing education other than at school. The Government's overall provision for local authority current expenditure in the financial year 1988-89 is consistent with the total number of teachers remaining broadly at its January 1987 level in 1988 and 1989.

9. On the basis assumed above for teacher numbers, the Government estimates that expenditure on teachers' salaries including superannuation and national insurance in 1988/89 will be about £7012m in England and Wales. This figure allows fully for the pay structure set out in the Teachers' Pay and Conditions Document 1987; it covers both the incremental progression of teachers in service and the changes in the numbers of allowances at different levels set out in Circular 8/87 (and repeated in paragraph 14 below). It does not however include any allowance for an increase in pay rates with effect from April 1988. The addition of £300m set out as the financial constraint in the letter from the Secretary of State of 27 October is intended to cover both any increase in London weighting subsequent to July 1987 and the costs of new pay scales with effect from 1 April 1988. These figures are consistent with the Government's overall provision for local authority current expenditure for 1988-89.

10. Retail price inflation is currently running at 4.5% a year (year to October), when the Tax and Prices Index - a better indicator of the course of take-home pay - stood at 2.7%. The Autumn statement forecast for Retail Price Inflation is that it will fall below 4% by the end of 1987 and

rise again, temporarily, to 4.5% by the fourth quarter of 1988. The Government has recognised the need to recruit, retain and motivate teachers through the substantial pay increase given to them this year. However it remains central to the Government's economic policies to contain the growth of public expenditure and borrowing in the interests of reducing inflation, interest rates and taxation. It is against this background that the Government has set the overall constraint on the cost of the addition to the Teachers' Pay Bill for the 1988-89 financial year.

11. Data at national level are available on unfilled vacancies in secondary schools only. Attached at Annex A are tables showing for the period January 1984 to January 1987 vacancy information by region and for the shortage subjects of maths, physics and craft, design and technology (CDT). The figures show that:

- a. Vacancies are most pronounced in Greater London. In January 1987 the average vacancy rate for England and Wales was just under one and a quarter per cent. But vacancies in Greater London represented about 3% of teaching posts in the area: more than double the vacancy rate in any other region.
- b. Vacancies overall increased by about a quarter from January 1985 to January 1986 but were about the same in January 1987 as they were in January 1986.
- c. Although the overall level of vacancies were similar in January 1986 and January 1987 over most of England and Wales vacancies fell by about a fifth but there was a significant increase of about three-fifths in Greater London and in Yorkshire and Humberside.
- d. Nationally vacancies in mathematics, physics and CDT declined by nearly a fifth between January 1986 and January 1987 to a little over one and a quarter per cent. In Greater London the number of vacancies in these subjects increased by about a third between January 1986 and January 1987 to around 3 and a half per cent of posts; in the South-East apart from Greater London, they fell by about a tenth and in the rest of England and Wales vacancies fell by about a third.

e. There are marked variations within regions although at this level the figures are small and can fluctuate from year to year. For example in January 1987 the vacancy rate in Leeds was of over 4% compared to a regional average of 1.3%; the vacancy rate in Salford was over 2% compared to a regional average of under 1%. In London and the South-East the vacancy rate ranged from 0.4% to 5.6%. Although vacancies overall in Greater London rose by about a third between January 1987 and January 1988, the number of vacancies dropped in 6 out of the 21 authorities within Greater London.

As the latest figures relate to January 1987, they provide no information about the impact of the 1987 pay settlement on teacher recruitment and retention. They do however demonstrate a need for selectivity in the way pay increases are used.

12. Information has just become available about recruitment to teacher training courses in England and Wales in Autumn 1987. The tables at Annex B set out the relevant information. The figures show that:

- a. there has been a substantial increase in overall recruitment to teacher training courses: up by over 13% on 1986 recruitment;
- b. the target for recruitment to teacher training courses increased 5.5% between 1986 and 1987: actual recruitment in 1987 represented 98% of target recruitment, as compared with 91% in 1986 and 95% in 1985;
- c. this increase is reflected in almost all subjects but is particularly strong in shortage subject areas; maths and craft, design and technology (CDT) recruitment increased by about a third over 1986, and physics by about a half;
- d. in mathematics, the proportion of actual to target recruitment increased from 71% in 1986 to 87% in 1987, with the target itself increasing by 7.5% between these 2 years; in science (there is no separate target for physics), the proportion increased from 91% to 102%, with a target increase of 6%; and in CDT the proportion increased from 73% to 86%, with a target increase of 15%.

This follows both the 1987 pay settlement and the Government's specific efforts to increase the recruitment of people to teach the shortage subjects, but there is still some way to go.

FUTURE ARRANGEMENTS

13. The new pay structure involves a significant increase in the number of those in receipt of incentive allowances. The Teachers' Pay and Conditions Document 1987 provided that an incentive allowance should only be paid where the teacher's employer is satisfied that the teacher fulfils at least one of the four criteria

- a. undertakes responsibilities beyond those common to the majority of teachers;
- b. has demonstrated outstanding ability as a classroom teacher;
- c. is employed to teach subjects in which there is a shortage of teachers; or
- d. is employed in a post which is difficult to fill.

About 104,000 teachers received incentive allowances in ordinary schools from 1 October 1987 as a result of assimilation from the former promoted scales to the new incentive allowance structure. The Government envisaged that about 25,000 £501 allowances would be awarded with effect from October 1987. Circular 8/87 set out the Government's intentions for the numbers of teachers receiving incentive allowances at each level in each academic year up to 1990-91 in ordinary schools. In that year 165,000 teachers should be in receipt of incentive allowances. In addition all teachers (about 14,000) in special schools other than heads and deputies receive an incentive allowance.

14. In September 1987 about 30% of teachers in primary schools and 45% of teachers in secondary schools were on Scale 3 or above or were heads or deputies. The Secretary of State envisaged that by September 1990 50% of teachers in primary schools and 60% in secondary would receive incentive allowances or be heads or deputies. The following table sets out approximate numbers of incentive allowances in ordinary schools for each year until 1990-91 consistent with this approach. This table replicates the figures for 1987 and 1990 set out in Circular 8/87 and shows the effect of moving between these years in three roughly equal steps.

Approximate Numbers of Incentive Allowances: in Ordinary Schools

	<u>October 1987</u>	<u>September 1988</u>	<u>September 1989</u>	<u>September 1990</u>
<u>Primary</u>				
£2,001	-	1,300	2,700	4,000
£1,002	16,000	16,300	16,700	17,000
£ 501	<u>14,000</u>	<u>20,700</u>	<u>27,300</u>	<u>34,000</u>
	30,000	38,300	46,700	55,000

	<u>October 1987</u>	<u>September 1988</u>	<u>September 1989</u>	<u>September 1990</u>
<u>Secondary</u>				
£4,200	6,500	8,000	9,500	11,000
£3,000	28,500	27,000	25,500	24,000
£2,001	-	8,000	16,000	24,000
£1,002	53,000	43,300	33,700	24,000
£ 501	<u>11,000</u>	<u>16,300</u>	<u>21,700</u>	<u>27,000</u>
	99,000	102,600	06,400	110,000

<u>Total</u>				
<u>Primary and</u>	129,000	140,900	153,100	165,000
<u>Secondary</u>				

In special schools there were about 1,500 teachers on Scale 3(S) ^{or} on the Senior Teacher Scale on 30 September 1987. The Government envisaged that there would be by 1990 a further 1,500 promotions, from the £1,002 rate of allowance given to all special school teachers to the £2,001 rate of allowance, or from £2,001 to £3,000, or through to £4,200.

15. The £2,001 rate of allowance is intended to provide a further element of flexibility in the system. It will be important in the years immediately ahead in providing for strengthening the management of the largest primary schools. It will open up promotion opportunities to teachers in secondary schools making an exceptional contribution to the work of the school who would, within the previous salary structure and in the present situation of decline in secondary pupil numbers, not be able to gain promotion.

16. Circular 8/87 set out the Secretary of State's view that the £501 incentive allowances awarded with effect from October 1987 should be distributed, in the main, in recognition of outstanding classroom teaching while recognising that it may be appropriate for regard to be given to the other three criteria (set out in para 13 above) in combination with that relating to classroom teaching. The Secretary of State believes that with the further increase in the number of incentive allowances all four need to play a part in the decisions about the allocation of allowances. Incentive allowances can make an important contribution to the recruitment and retention of those who teach subjects in which there is a shortage of teachers or are employed in posts which are difficult to fill.

17. The cost of the increase to 165,000 incentive allowances and of incremental progression up the new main scale together add about one per cent to the teachers' pay bill in each of the next three years. There is an equivalent increase for teachers in Scotland resulting from the changes implemented following the recommendations of the Main Committee. As noted in paragraph 8 this increase in 1988-89 for the school year is already allowed for in the baseline figure for the 1988-89 financial year, and does not represent a commitment to be charged against the £300 million limit within which the committee has been instructed to work.

18. The Teachers' Pay and Conditions Document 1987 defines a framework for the use of incentive allowances within individual schools. It sets limits on the percentage of teachers in schools of different sizes who may be paid a particular rate of incentive allowance, and, in ordinary schools, on the overall percentage who may be paid incentive allowances or as heads or deputies. The ranges were designed to be consistent with the Governments intentions for incentive allowances in both the academic years 1987-88 and 1988-89. The width of the ranges provides a considerable degree of flexibility. For example, although the number of £501 allowances must be within the upper and lower limits specified for this rate of allowance the range is consistent with between 8,000 and 60,000 £501 allowances overall. The limits

on other allowances and on the overall total number of allowances can be exceeded where the authority are of the opinion that the staffing and organisational needs of a school cannot be met by the payment of allowances within the prescribed limits. In forming that opinion they are to have regard in particular, but not exclusively, to specified educational and social factors such as difficulties in recruiting and retaining teachers to serve in a school.

19. The increase in incentive allowances to 165,000 in ordinary schools, and the increase in the numbers of the higher rates of allowance in both ordinary and special schools, will in due course require amendments to the percentage limits in the Document. Annex D of Circular 8/87 set out revised limits as they might look for September 1990, in order to help authorities' forward planning. In the interests of stability, it may be as well for the move from the present limits to the revised limits to be made at one step in the 1989 revision of the Teachers' Pay and Conditions Document. For convenience the two tables from Circular 8/87 showing the percentage limits in the Document and the possible limits as they might look for September 1990 are reproduced as Annex C.

20. The possible limits for 1990 extend the use of some rates of allowance to smaller schools. The two graphs at Annex D show for ordinary schools and special schools respectively the resulting pay structure in 1990, using present pay rates. The graphs show the salaries for heads and deputies, and the maximum salary which other teachers can attain in each group of school through receiving an incentive allowance on top of the main scale. In special schools all assistant teachers receive an allowance of at least Rate B (£1002). The graphs show that:

- the salary of heads and deputies increases with size of school;
- the differential between head and deputy increases with size of school. This pattern was inherited from Burnham: one reason for it is that there is one deputy in smaller schools but up to four deputies in the largest secondary schools to share the responsibility;
- the maximum salary which assistant teachers can earn in a school is always less than the deputy's salary: a minimum differential was set of £400.

- some assistant teachers in large secondary schools can earn more than the heads and deputies of small primary schools. Such teachers will have substantial management responsibilities.

21. The Teachers' Pay and Conditions Document 1987 gives authorities discretion to appoint teachers aged 23 or more to points higher on the main scale than their minimum entitlement. Thus a mature entrant aged 30 with a good honours degree could be appointed at the top of the scale. This should assist authorities in appointing mature entrants with relevant experience. The Document also provides flexibility for teachers in urban areas to be appointed one or two increments higher than the normal point of entry for teachers of such an age if this is necessary for recruitment purposes because of the staffing needs of the school.

SPECIFIC ISSUES

22. The Committee were asked by the Secretary of State to consider the following specific issues.

Salaries and Allowances

23. The Secretary of State's letter asked the Committee to recommend new pay scales and allowances as from 1 April 1988 whose additional costs over the baseline, together with those of any adjustment in London allowances, would not exceed £300 million at an annual rate.

Differentials Within the Pay Structure

24. Major changes were made in the pay arrangements for heads and deputies in the Document as a result of the replacement of incremental scales with fixed salaries by size of school: these were coupled with the definition of the duties of heads and deputies. Heads and deputies have important managerial responsibilities which have been reinforced by the Education (No 2) Act 1986. In view of the critical importance of heads and deputies to the effective running of schools the Committee will want to consider carefully whether the new differentials between heads' salaries and deputies' salaries and between heads' and deputies' salaries on the one hand, and other teachers' salaries on the other hand, reflect appropriately the changing circumstances of schools.

Teachers' Duties

25. The conditions of employment set out in the Document reflect existing good practice. The Government is not aware of major defects. However it recognises that in the light of experience modifications of a minor and technical nature may be necessary.

London Area Allowances and Other Geographical Variations in Salaries

26. The London area allowance has long existed as a form of geographical pay. But recently in the South-East authorities have made increasing use of other measures to recruit and retain teachers such as payment of removal expenses, lump sum payments to help with housing costs and cheap mortgages. There is a series of important related issues for the Committee to consider. In particular

- a. what part of the £300m should be allocated to increases in London area allowances?
- b. should the three geographical areas for the allowance be modified?
- c. should an allowance of a similar type be introduced in any other areas?
- d. is a blanket payment the appropriate way of dealing with shortages of teachers in particular areas or of particular skills?
- e. should there be geographical differentiation in the availability of incentive allowances?

Social Priority Allowance

27. The Social Priority Allowance represents a blanket payment to teachers in particular schools. The schools and rates have remained unchanged for 12 years despite considerable social, economic and environmental changes during this period. It is doubtful whether the Social Priority Allowance any longer fulfils an effective function. Latterly it has not had the support

of the teacher unions or the local authority associations. The present review by the Committee of London area allowances and the possibility of other geographical variations in salaries provides the opportunity to consider the future of the Social Priority Allowance. Should the Committee recommend its discontinuance they will need to consider how it should be phased out, including whether all payments should cease from a particular date, or whether it should be phased out over a short period of years.

Department of Education and Science
December 1987

UNFILLED VACANCIES IN SECONDARY SCHOOLS

1. Attached are 4 tables. The information is drawn from Form 618G (an annual January count) and is available for secondary schools only in England and Wales. Information on vacancies in primary schools will be available for the first time from the 1988 return.
2. Table 1 shows overall totals for vacancies by region for each of the years 1984 to 1987;
3. Table 2
 - a) shows the percentage split of vacancies by region from 1984 to 1987,
 - b) shows a comparison by region between the overall distribution of teachers and vacancies in 1987,
 - c) shows vacancies as a percentage of teachers in each region.
4. Table 3 shows vacancies by region in the shortage subjects - maths, physics and CDT for the years 1986 and 1987;
5. Table 4 shows vacancies by LEA for each of the years 1984 to 1987. It should be noted that at this level numbers are small and fluctuate from year to year.

TABLE 1: UNFILLED VACANCIES IN SECONDARY SCHOOLS ON A REGIONAL BASIS, 1984-87

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Regions	1984	1985	1986	1987
North	58	55	93	71
Yorkshire and Humberside	147	168	188	307
North West	275	236	252	219
East Midlands	181	239	365	235
West Midlands	241	180	249	239
East Anglia	68	85	92	53
Gt London	440	386	511	813
Other South East	324	375	453	412
South West	95	173	195	159
Wales	118	138	181	69
TOTAL	1947	2035	2579	2577

Notes

1. England and Wales Secondary Schools (January count). Source Form 618G.
2. Vacancy information for primary schools is not available. It will be collected for the first time in the January 1988 618G.

TABLE 2: REGIONAL COMPARISON OF UNFILLED VACANCIES IN SECONDARY SCHOOLS, 1984-87

Region	Each Region's Percentage Of Total Unfilled Vacancies				Each Region's Percentage Of Total Teachers	Each Region's Vacancies As A Percentage Of Its Teachers
	1984	1985	1986	1987	1987	1987
North	3.0	2.7	3.6	2.8	6.6	0.5
Yorkshire and Humberside	7.6	8.3	7.3	11.9	11.1	1.3
North West	14.1	11.6	9.8	8.5	12.8	0.8
East Midlands	9.3	11.7	14.2	9.1	8.5	1.3
West Midlands	12.4	8.8	9.7	9.3	11.2	1.0
East Anglia	3.5	4.2	3.6	2.1	3.5	0.7
Gt London	22.6	19.0	19.8	31.5	12.3	3.1
Other South East	16.6	18.4	17.6	16.0	19.3	1.0
South West	4.9	8.5	7.6	6.2	8.3	0.9
Wales	6.1	6.8	7.0	2.7	6.5	0.5
TOTAL	100	100	100	100	100	1.2

Notes:

1. England and Wales Secondary Schools (January count): Source: Form G18G.

TABLE 3: REGIONAL COMPARISON OF UNFILLED VACANCIES IN SECONDARY SCHOOLS IN SELECTED SHORTAGE SUBJECTS - MATHS, PHYSICS AND CDT

Region	1986	1986	1987	1987
	Unfilled Vacancies	Each Region's Vacancies as a Percentage of its Maths, Physics and CDT Teachers ²	Unfilled Vacancies	Each Region's Vacancies as a Percentage of its Maths, Physics and CDT Teachers ²
North	25	0.9	12	0.4
Yorkshire and Humberside	57	1.1	50	0.9
North West	83	1.3	71	1.2
East Midlands	99	2.4	44	1.1
West Midlands	65	1.2	48	0.9
East Anglia	24	1.4	7	0.4
Gt London	150	2.5	196	3.4
Other South East	149	1.6	133	1.4
South West	51	1.3	45	1.2
Wales	44	1.5	12	0.4
TOTAL	747	1.6	618	1.3

Notes

1. England and Wales Secondary Schools (January count). Source: Form 618G

2. Total numbers of maths, physics and CDT teachers in each region are not known. For illustrative purposes it has been assumed that together they form 22.4% of all secondary teachers in each region (on the basis of the 22.4% of teachers nationally whose first teaching subject is maths, physics, or CDT. Source: Secondary Schools Staffing Survey January 1984).

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**TABLE 4: UNFILLED VACANCIES IN SECONDARY SCHOOLS ON AN LEA
BASIS 1984-1987**

NORTH					Each LEA's Vacancies As A Percentage Of Its Teachers (Jan 87)
	1984	1985	1986	1987	
Cleveland	0	0	0	0	0.0
Cumbria	14	5	8	22	1.0
Durham	14	11	26	5	2.2
Gateshead	4	6	16	5	2.5
New Castle Upon Tyne	9	7	12	19	1.5
North Tyne Side	3	5	15	12	1.0
Northumbria	4	0	0	0.0	2.0
South Tyne Side	0	1	0	0	2.0
Sunderland	10	20	16	8	2.6
TOTAL	58	55	93	71	2.5
<hr/>					
YORKSHIRE AND HUMBERSIDE					Each LEA's Vacancies As A Percentage Of Its Teachers (Jan 87)
	1984	1985	1986	1987	
Barnsley	2	14	7	5	2.5
Bradford	14	12	9	14	2.5
Caldendale	3	16	19	7	2.8
Doncaster	7	9	11	11	2.8
Humberside	44	36	32	28	2.6
Kirklees	6	7	12	17	2.9
Leeds	5	43	37	154	2.1
North Yorkshire	17	11	7	2	2.1
Rotherham	0	0	5	1	2.1
Sheffield	32	12	41	28	2.2
Wakefield	17	8	8	40	2.6
TOTAL	147	168	188	307	2.3

North West	1984	1985	1986	1987	Each LEA's Vacancies as a Percentage of its Teachers
Bolton	13	3	17	2	0.2
Bury	0	0	1	0	0.0
Cheshire	40	13	19	31	0.3
Knowsley	16	8	14	10	1.2
Lancashire	82	81	63	57	1.0
Liverpool	2	1	6	5	0.5
Manchester	53	28	26	23	1.1
Oldham	9	9	7	5	0.5
Rochdale	3	13	20	5	0.4
Salford	13	19	21	23	2.2
Sefton	1	18	0	2	0.2
St Helens	10	7	15	5	0.5
Stockport	8	5	8	7	0.5
Tameside	0	5	4	15	1.5
Trafford	2	4	2	2	0.2
Wigan	1	6	1	0	0.0
Wirral	22	16	28	27	1.9
TOTAL	275	236	252	219	0.8

East Midlands	1984	1985	1986	1987	Each LEA's Vacancies as a Percentage of its Teachers
Derbyshire	23	36	49	79	1.9
Leicestershire	45	75	187	61	1.5
Lincolnshire	31	32	32	29	1.3
Northamptonshire	13	9	9	7	0.3
Nottinghamshire	70	87	88	59	1.3
Total	181	239	365	235	1.3

UNFILLED VACANCIES IN SECONDARY SCHOOLS ON AN LEA BASIS 1984-1987

<i>West Midlands</i>	1984	1985	1986	1987	Each LEA's Vacancies as a percentage of its Teachers
Birmingham	25	26	86	79	1.8
Coventry	15	7	16	14	1.0
Dudley	10	14	9	13	1.0
Herefordshire and Worcestershire	39	21	16	19	0.6
Sandwell	13	14	23	14	0.9
Shropshire	1	1	4	2	0.1
Solihull	12	12	14	18	1.9
Staffordshire	70	56	49	38	0.8
Walsall	24	17	6	15	1.0
Warwickshire	22	6	0	12	0.7
Wolverhampton	10	6	26	15	1.2
TOTAL	241	180	249	239	1.0

<i>East Anglia</i>	<i>1984</i>	<i>1985</i>	<i>1986</i>	<i>1987</i>	<i>Each LEA's Vacancies as a percentage of its teachers</i>
Cambridgeshire	25	30	24	8	0.3
Norfolk	22	34	29	21	0.8
Suffolk	21	21	39	24	0.8
Total	68	85	92	53	0.7

**UNFILLED VACANCIES IN SECONDARY SCHOOLS ON AN LEA
BASIS 1984-1987**

Greater London	1984	1985	1986	1987	Each LEA's Vacancies As A Percentage of its Teachers
Barking	13	4	23	19	3.0
Barnet	17	13	6	50	4.3
Bexley	14	24	23	21	2.3
Brent	11	21	19	30	2.8
Bromley	21	15	23	52	5.1
Croydon	3	6	10	17	1.4
Ealing	43	10	13	14	1.8
Enfield	11	25	30	35	3.2
Haringey	12	10	17	19	2.4
Harrow	23	9	9	10	1.5
Havering	28	2	28	27	2.4
Hillingdon	6	6	8	10	1.2
Hounslow	4	4	8	8	1.0
Inner London	149	130	188	381	4.4
Kingston Upon Thames	7	6	16	7	1.4
Merton	5	4	5	9	1.2
Newham	18	37	37	56	5.6
Redbridge	5	15	10	14	1.7
Richmond Upon Thames	4	5	2	16	3.9
Sutton	27	24	15	14	2.2
Waltham Forest	19	16	21	4	0.4
TOTAL	440	386	511	813	3.1

Other South East	1984	1985	1986	1987	Each LEA's Vacancies as a Percentage of its Teachers
Bedfordshire	35	48	23	38	1.5
Berkshire	13	0	0	0	0.0
Buckinghamshire	11	33	36	49	2.3
East Sussex	14	6	34	16	0.7
Essex	78	92	96	50	0.8
Hampshire	42	39	67	57	1.1
Hertfordshire	18	28	46	44	1.0
Isle of Wight	0	0	0	0	0.0
Kent	83	86	103	91	1.4
Oxfordshire	4	0	13	8	0.4
Surrey	6	24	18	36	1.2
West Sussex	20	19	17	23	2.0
Total	324	375	453	412	1.0

UNFILLED VACANCIES SECONDARY SCHOOLS ON AN LEA BASIS 1984-1987

South West	1984	1985	1986	1987	Each LEA's Vacancies as a Percentage of its Teachers
Avon	18	24	41	35	1.0
Cornwall	5	2	16	16	0.9
Devon	45	61	78	41	1.1
Dorset	2	0	1	3	0.1
Gloucestershire	9	15	19	6	0.3
Isle of Scilly	0	0	0	2	15.4
Somerset	3	49	20	14	0.8
Wiltshire	13	22	20	42	0.2
Total	95	173	195	159	0.9

Wales	1984	1985	1986	1987	Each LEA's vacancies as a percentage of its teachers
Clwyd	1	3	3	2	0.1
Dyfed	15	24	20	8	0.5
Gwent	29	27	26	3	0.1
Gwynedd	4	11	13	9	0.7
Mid-Glamorgan	46	49	41	34	1.3
Powys	5	1	0	0	0.0
South Glamorgan	7	7	6	0	0.0
West Glamorgan	11	16	72	13	0.8
TOTAL	118	138	181	69	0.5

INITIAL TEACHER TRAINING RECRUITMENT

1. Attached are 2 tables. The information is drawn from the annual survey of recruitment to institution which provide initial teacher training in England and Wales.
2. Table 5 sets out overall recruitment figures to PGCE and BEd courses for both primary and secondary teachers for the years 1984 to 1987. The table also shows the target intake figures for these years;
3. Table 6 sets out recruitment figures to PGCE and BEd courses in the shortage subjects - maths, physics and Craft, Design and Technology (CDT) - for the years 1986 and 1987.

TABLE 5: INITIAL TEACHER TRAINING RECRUITMENT

The Figures In Square Brackets Are Targets Originally Set

*Percentage Increase in Recruitment
between 1986 and 1987
~~1987 Recruitment As A~~
~~Percentage Of 1986 Recruitment~~*

	1984	1985	1986	1987	
Primary PGCE	2003 [1888]	2328 [2180]	2707 [2587]	3134 [2832]	+15.8
Primary BEd	6254 [6127]	6466 [6455]	6313 [6687]	6970 [7024]	+10.4
<u>Total Primary</u>	8257 [8015]	8794 [8635]	9020 [9274]	10104 [9856]	+12.0
Secondary PGCE	6699 [6918]	6344 [6958]	6317 6261 [7177]	0 7185 [7351]	+12.6 13.4
Secondary BEd	1751 [1968]	1587 [2011]	1608 [2161]	1951 [2430]	+21.3
<u>Total Secondary</u>	8450 [8886]	7931 [8969]	7925 7869 [9339]	5 9086 [9781]	+14.4 15.0
TOTAL	16707 [16901]	16725 [17604]	16445 16889 [18613]	6 19170 [19637]	+13.4 13.4

Secondary BEd is only available in drama, music, RE, business studies, mathematics, biology, chemistry, physics and other subjects. CDT, PE and home economics

TABLE 6: INITIAL TEACHER TRAINING RECRUITMENT IN SELECTED SHORTAGE SUBJECTS - MATHS, PHYSICS AND CDT

The Figures In Square Brackets Are Targets Originally Set

Percentage Increase in Recruitment
Between 1986 and 1987

Subject		1986	1986 Recruitment As A Percentage Of 1986 Target	1987	1987 Recruitment As A Percentage Of 1987 Target	1987 Recruitment As A Percentage Of 1986 Recruitment
MATHS	PGCE	741 [942]	78.7	957 [995]	96.2	+29.1
	BEd	160 [330]	48.0	237 [375] [388]	63.7 61.0	+48.1
	TOTAL	901 [1275]	70.7	1194 [1370]	87.2	+32.6
PHYSICS	PGCE	341	-	480	-	+40.8
	BEd	24	No target set specifically for physics	65	No target set specifically for physics	+70.8
	TOTAL	365	-	545	-	+49.3
CDT	PGCE	252 [300]	84.0	300 [332]	90.4	+19.0
	BEd	299 [456]	65.6	443 [535]	82.8	+48.2
	TOTAL	551 [756]	72.9	743 [867]	85.7	+34.8

Notes

- There are no separate targets for the individual sciences.

24

PERCENTAGE LIMITS IN THE DOCUMENT

ANNEX C

ORDINARY SCHOOLS

Group	Incentive Allowance					Overall Limit*
	A	B	C	D	E	
1-4	0-15	0	0	0	0	20-50
5	0-15	0-25	0	0	0	20-50
6	2-15	10-25	0-5	0	0	30-50
7	2-12	12-25	0-5	0	0	40-55
8	2-10	12-25	0-5	0-15	0	45-60
9	2-10	12-25	0-5	0-15	0-6	50-60
10-14	2-9	12-25	0-5	10-15	0-6	50-60

*Range for total of those to be paid incentive allowances or as head or deputy head teachers.

SPECIAL SCHOOLS

Group	Incentive Allowance		
	C	D	E
3(S)	0	0	0
4(S)	0	0	0
5(S)	0-20	0	0
6(S)	0-20	0	0
7(S)	5-20	0-10	0
8(S)	5-20	0-10	0-10
9(S)	5-20	0-10	0-10
10(S)	5-20	0-10	0-10

POSSIBLE PERCENTAGE LIMITS AS THEY MIGHT LOOK FOR SEPTEMBER 1990

ORDINARY SCHOOLS

Group	Incentive Allowance					Overall Limit*
	A	B	C	D	E	
1-4	0-20	0-25	0	0	0	30-55
5	10-20	8-25	0	0	0	40-55
6	10-20	8-15	8-15	0	0	50-60
7	10-20	8-15	8-15	0	0	50-60
8	10-15	8-15	8-15	10-15	0	50-60
9	10-15	8-15	8-15	10-15	0-8	55-65
10-14	10-15	8-15	8-15	10-15	4-8	55-65

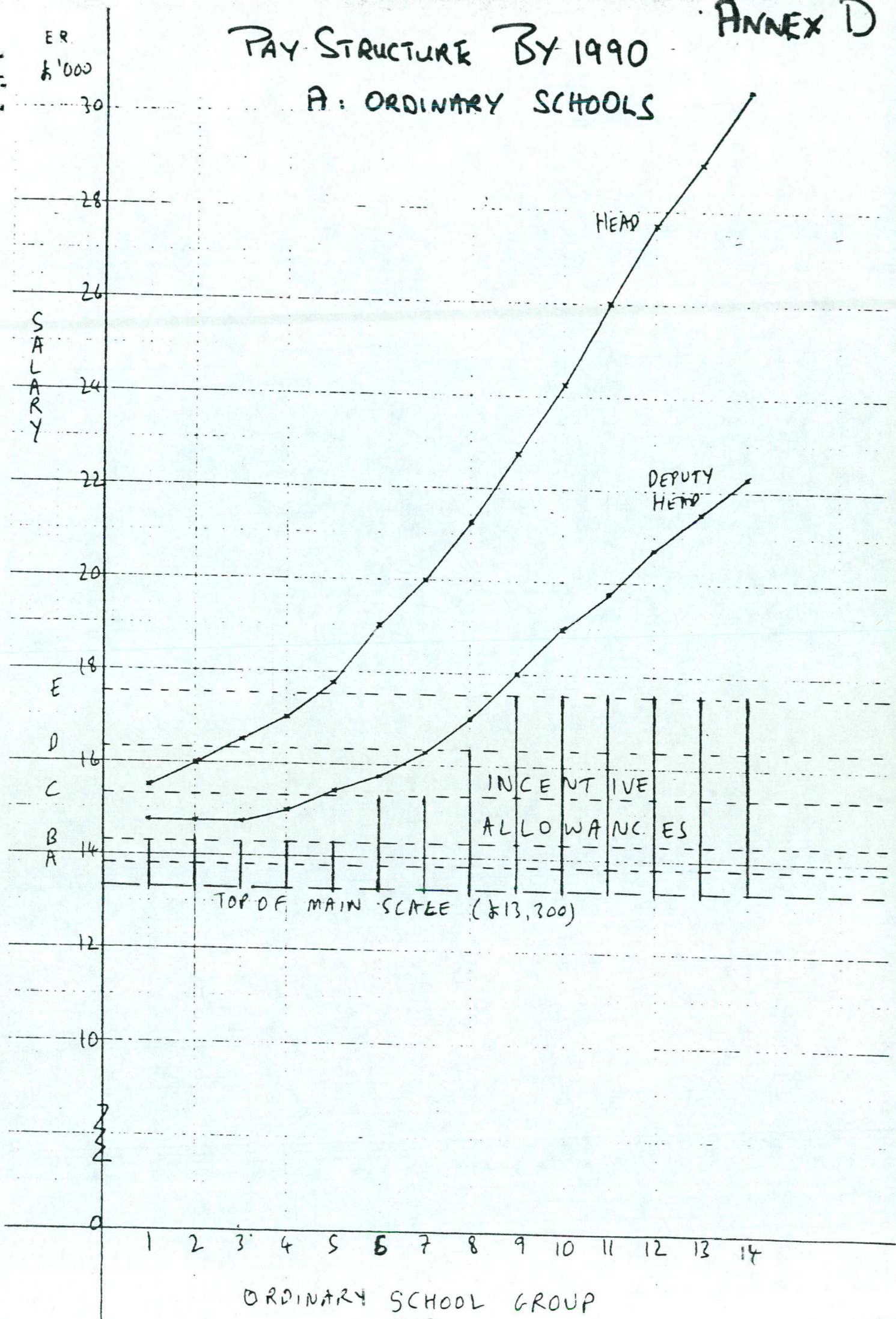
* Range for total of those to be paid incentive allowances or as head or deputy head teachers.

SPECIAL SCHOOLS

Group	Incentive Allowance		
	C	D	E
3(S)	0	0	0
4(S)	0	0	0
5(S)	10-25	0	0
6(S)	15-25	0	0
7(S)	15-25	0-15	0
8(S)	15-25	5-15	0-15
9(S)	15-25	5-15	5-15
10(S)	15-25	5-15	5-15

PAY STRUCTURE BY 1990

A: ORDINARY SCHOOLS



ER
k'000

PAY STRUCTURE BY 1990

B: SPECIAL SCHOOLS

S
A
L
A
R
Y

30

28

26

24

22

20

18

E

D

C

B

14

12

10

7
5
3

0

HEAD

DEPUTY
HEAD

INCENTIVE
ALLOWANCES

TOP OF MAIN SCALE (£13,300)

3(S) 4(S) 5(S) 6(S) 7(S) 8(S) 9(S) 10(S)

SPECIAL SCHOOL GROUP

20



mpw

FROM: MISS M P WALLACE

DATE: 4 December 1987

MR DE BERKER

cc Chief Secretary
Paymaster General
Sir P Middleton
Mr Anson
Miss Mueller
Mr Kemp
Mr Kelly
Mr Gilmore
Mr Houston
Mr Burr
Mr Potter
Mr Kelly
Mr Gilhooly
Mr Fellgett
Mr Cropper
Mr Tyrie
Mr Call

EVIDENCE FROM THE DEPARTMENTS OF EDUCATION AND SCIENCE TO THE IAC

The Chancellor has seen your minute of 3 December, and is content for the DES evidence to go forward to the IAC.

mpw.

MOIRA WALLACE



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Rt Hon John Major MP
Chief Secretary
HM Treasury
Parliament Street
LONDON
SW1P 3AG

CHIEF SECRETARY	
17/1/88	
Mr Gilhooly	
CX PMG Sir Peter Middleton	
Mr Anson Dame Anne Mueller	
Mr H Phillips Mrs Case	
Mr Houston Mr C W Kelly	

[Handwritten signature]

16 March 1988

[Handwritten mark]

*Mr Burr Mr AM White
Mr De Becker Mr Call*

Dear John

TEACHERS' PAY 1988/89

I am writing to report to you on the outcome of a meeting held yesterday of the Scottish Joint Negotiating Committee (SJNC), which is the body responsible for determining the levels of teachers' pay and their conditions of service. The conclusion of this meeting was the offer and acceptance of a 6% pay increase for school teachers in Scotland across all salary points with effect from 1 April 1988.

At the first meeting of the SJNC to negotiate this year's pay settlement the Teachers' Side presented a claim for 4% plus a fixed sum of £600 for all teachers; this package in total would have increased the pay bill by some 8½%. It was presented as being in line with the movement of average earnings. The 12 Scottish education authorities were then invited to comment on the teachers' claim. From their written responses, it is clear that the largest authorities - Strathclyde, Lothian, Tayside, Central and Fife - were in favour of making an offer of about 4% across the board. One or two of the smaller authorities suggested 4½%-5% might be acceptable. Against this background, it was expected that, as has been the normal course of these negotiations, we would see the formulation of an opening offer of 4% from the Management Side, with an eye to an eventual settlement in the region of perhaps 5%-5½%, and the presentation of this offer to the Teachers' Side.

In the event it became clear that the Chairman of the Management Side (Councillor Green of Strathclyde) had had private exchanges with the dominant union (EIS) beforehand to agree that a 6% increase across the board offered at this meeting would be accepted forthwith. He then made successful efforts to bring the Management Side round to accepting this proposition, sounding out Council leaders by telephone. Despite considerable misgivings by many of the councillors present, outright opposition to a 6% offer was confined in the end to a minority of those present and the offer went ahead.

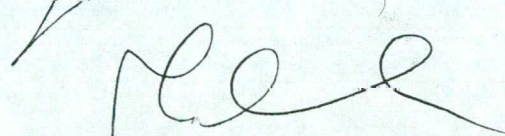
My officials have 2 places on the Management Side of this organisation, and I have no power to intervene in its procedures or to set any limit on its negotiations. They had written to the Management Side beforehand to stress the current low levels of inflation and to underline the basis of the RSG settlement for 1988/89. These factors pointed to a settlement at

around 4%. They also expressed the Department's outright opposition to the payment of any part of an award in the form of a fixed sum because this would close differentials between headteachers and other senior staff and the bulk of teachers. In the course of yesterday's meeting, they argued strongly that an increase of 4% was appropriate against the background of the major reconstruction of teachers' pay in 1987; that an award of 6% would be expensive to local authorities requiring resources to be drawn from provision for other services if expenditure was to stay within guidelines; and that an award of 6% would be indefensible against the lower award which was to be expected for teachers in England and Wales. My officials insisted on a vote within the Management Side to ensure that individual councillors were seen to answer clearly for their authorities; the final outcome was a vote of 5 for the 6% increase, 3 for a 5% increase and only the 2 departmental votes opposed to going beyond 4%.

The 6% offer was of course quickly accepted by the Teachers' Side who in effect were asked to give nothing in return for what in the circumstances was a generous offer.

It seems clear that the unions in Scotland came away from their original bid for an 8½% package in the hope that an early settlement would prevent employing authorities holding them closer to any lower level of increase which might emerge from the recommendations of the Interim Advisory Committee in England and Wales. I am however aware that a 6% settlement may make it difficult to hold the award in England to the limit of 4%+ under which the IAC has been asked to operate, and may therefore be awkward and embarrassing for Kenneth Baker. This outcome reinforces the case for legislation to enable me to take control of the negotiation of teachers' pay and, as you know, the legislative programme we have agreed for next year allows a space for me to introduce such legislation. Meantime I have issued a statement making clear that the settlement cannot be justified. I have also made it clear - and will continue to do so - that the Government will not fund the settlement beyond the 4% already provided for in the RSG settlement for 1988/89.

I am copying this to the Prime Minister, the Secretaries of State for Education, Employment, Wales, Northern Ireland, the Environment and to Sir Robin Butler.

Yours ever


MALCOLM RIFKIND

CONFIDENTIAL

Papers file
5/8/83
 FROM: J De BERKER
 DATE: 21 MARCH 1988

- long*
2/3
1. MR GILHOOLY
 2. CHIEF SECRETARY

cc Chancellor of the Exchequer
 Paymaster General
 Sir Peter Middleton
 Dame Anne Mueller
 Mr Anson
 Mr Phillips
 Mr C W Kelly
 Mrs Case
 Mr Hawtin
 Mr Gilhooly
 Mr Burr
 Mr Potter
 Mr Fellgett
 Mr S Kelly
 Mr Cropper
 Mr Tyrie
 Mr Call

BF 25/3

TEACHERS' PAY 1988-8-89

Mr Rifkind's letter of 16 March reports the unexpectedly high 6 per cent pay settlement reached for Scottish school teachers. As he says, it will make it difficult to hold down the award in England and Wales to the 4½ per cent implied by the Interim Advisory Committee (IAC) remit, and it reinforces the case for legislation to enable him to take control of the negotiation of teachers' pay. He has also made it clear to the local authorities that the Government will not fund the settlement in 1988-89 beyond the 4 per cent already provided for in the RSG settlement for 1988-89, although there is no explicit statement that the costs will not be reflected in the grant for 1989-90 and later. A copy of the general statement he has released is attached.

2. In your reply we suggest that while accepting that the Government does not possess the powers to overturn this settlement, you press for the new machinery to be in place for the 1989 settlement, with provisions for the new negotiating machinery in line with those proposed for England and Wales.

3. The submission below goes into more detail than is strictly necessary to deal with Mr Rifkind's letter but it is intended to put forthcoming developments in teachers' pay in general into context.

Background

4. The machinery for determining teachers' pay in England and Wales is different from that in Scotland. The 1987 Teachers' Pay and Conditions Act ^{abolished} ~~suspended~~ these Burnham arrangements for England and Wales and instead gave Mr Baker the power to appoint the IAC to advise him of the 1988, 1989, and if necessary 1990, settlements. The Government is committed to replacing this with long term arrangements and in October it issued a Green Paper. This makes it clear that the preferred alternative is a Teachers' Negotiating Group where the Government has a majority on the management side and, when necessary, the powers to impose a settlement.

5. The Green Paper invited representations by the end of January and committed Mr Baker to meet interested parties. He has been preoccupied with the Education Reform Bill going through Parliament and has not yet held any meetings. We understand at official level that he may prefer to wait until this year's settlement for England and Wales is out of the way (probably late May). The risk is, that if the consultations are delayed too long, Ministers will not have the option of introducing a bill right at the beginning of the next session to put machinery in place in time for the 1989 settlement.

6. Next year's legislative programme is already very crowded. The Teachers' Pay and Conditions Bill which would implement the new machinery has been provisionally dropped from the programme for the next session but in his paper for QL the Lord President noted it might be necessary to reintroduce it later - although another bill would have to be dropped to make way for it.

7. In Scotland, teachers have retained their negotiating machinery, but as the recent settlement demonstrates, it is

defective. The Government has two places out of ten on the management side, and no power to intervene in its procedures or set any limit on its negotiations.

8. An Education (Scotland) Bill is scheduled for the next session. So far we have opposed it because we want to make room for the Student Support Bill; and because the proposals on teachers' negotiating machinery are out of line with those in the Green Paper and will make it harder to get the more stringent ones envisaged for England and Wales into place. In particular, Mr Rifkind was not proposing to take the power to impose a settlement.

9. The Bill does not yet have policy clearance and will probably go to E(EP) in April. We understand that in the light of the recent settlement the Scottish Office officials are now giving thought to tightening up the Bill. This should entail putting the new machinery in place for the 1989 settlement. A problem will be to find a legal means of preventing the local authorities and the unions concluding the 1989 settlement within the existing machinery whilst the legislation is going through. Recent events should also get our arguments for a power to impose settlements in Scotland as well as in England and Wales a better hearing.

This year's settlement

10. The Scottish Teachers' 6 per cent settlement is bound to have repercussions for the settlement in England and Wales. This is currently being considered by the IACAC which is due to send its report to Ministers on 31 March. The Committee has been given a tight remit which implies an average increase of about 4½ per cent. Some members are known to have found this restrictive. But even if the IAC keeps to its remit, and the tone of the report is helpful, we will still have to get the teachers to accept it without excessive disruption. But the decision is, of course, in the Secretary of State's hands under the 1987 Teachers' Pay and Conditions Act.

11. As to the timetable, the Government is committed to making proposals in the light of the report, publishing the report itself, and then to consult teachers' unions and LEAs. DES

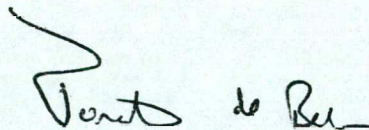
lawyers have advised that at least 3 weeks should be allowed for consultation. In all, it will probably take a minimum of 2 months to put the 1988 settlement for England and Wales to bed, ie around the end of May. During this time there could be two particularly awkward patches. The first will occur when the Government makes its proposals and the IAC report is published - this will be about the time that the review body awards are announced. The other could occur at the end of May, when the ILO may find against the Government for suspending teachers' bargaining rights and setting up the IAC in the first place. This would give opponents a good debating point. But it depends on the terms of the judgement, and whether it arrives on time. So far, the ILO appears to have dragged its feet.

Line to take

12. We suggest you accept the Scottish teachers' settlement because the Government cannot overturn it, but say that it is too high, and bound to have undesirable repercussions for England and Wales. You will also want to remind Mr Rifkind that local authorities should be told that the consequential costs will not be reflected in grants for 1989 and subsequently. But the main point is that it is essential to prevent a repetition of this episode and, if at all possible, new negotiating arrangements should be in place for the 1989 settlement. You may also want to say, subject to the views of colleagues, that the model for the new arrangements in both countries should be the Teachers' Negotiating Group described in the Green Paper.

13. A draft letter is attached.

14. HE and LG are content.



JONATHAN De Berker

MR RIFKIND'S STATEMENT: 14 MARCH

"This will be an expensive settlement for Scottish local authorities. The Government allowed for 4 per cent, as this award of 6 per cent comes on top of a major reconstruction package of pay increases worth in excess of 17 per cent, and funded by the Government following the recommendations of the independent Main Committee of Inquiry.

With inflation at its current low level I do not believe that 6 per cent is justified. It will commit authorities to spend some £16 million more than has been provided in expenditure plans for the coming financial year. These resources will have to be found at the expense of other local authority services if the rate payers are not be penalised in consequence."

DRAFT LETTER FROM CHIEF SECRETARY
TO MR RIFKIND

Copies: Prime Minister, Mr Baker, Mr Fowler, Mr Walker,
Mr King, Mr Ridley, and to Sir Robin Butler.

TEACHERS' PAY 1988-89

Thank you for your letter of 16 March about the Scottish teachers' pay settlement.

I agree with you that it is much too high, and is bound to have undesirable repercussions for the settlements in England and Wales. But regrettably, as you say, we do not have the means to overturn it. You have already made it clear to local authorities that the extra cost this year will have to be made at the expense of their other services if the rate payers are not to be penalised, but we should also make it clear that the continuing cost of this settlement in later years will add to Community Charges in Scotland, and will not be funded by grant.

The main lesson we must draw from this episode is to prevent a similar ^{unacceptable} settlement in 1989. If we are to do this the legislation you have for the next session must put the new negotiating machinery in place for 1989, rather than 1990 as originally planned. I also consider that the legislation for Scotland should be in line with the proposals we have

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in mind for England and Wales, otherwise ~~there~~ may be scope for our opponents to exploit differences ~~between~~ Scotland and England as they have done on this occasion. Subject to the views of colleagues I suggest that the model for the new arrangements should be the Teachers' Negotiating Group described in the Green Paper. This would give us not only a majority on the management side, but also the power to impose a settlement should this be necessary.

I am copying this to the Prime Minister, Kenneth Baker, Norman Fowler, Peter Walker, Tom King, ~~and~~ Nicholas Ridley, and to Sir Robin Butler.



my
A

Ch / I understand that DES ministers are unlikely to take a final view on responses to their Green Paper until June/July. Assuming that Green Paper's strong preference for TNG is retained, cannot be put in place in England & Wales before 1990 unless legislative space can be found. You will recall that Mr Baker put down marker that he might need Teachers Bill if IAC experience this year unsatisfactory. They are due to report to him in the next few weeks.

mpw 2813

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CC:
 Chancellor
 PMG
 Sir Peter Middleton
 Dame Anne Mueller
 Mr Anson
 Mr Phillips
 Mr C W Kelly
 Mrs Case
 Mr Hawtin
 Mr Gilhooly
 Mr de Berker
 Mr Burr
 Mr Potter
 Mr Fellgett
 Mr S Kelly
 Mr Cropper
 Mr Tyrie
 Mr Call

Treasury Chambers, Parliament Street, SW1P 3

The Rt Hon Malcolm Rifkind QC MP
 Secretary of State for Scotland
 Scottish Office
 Dover House
 Whitehall
 London
 SW1A 2AU

*When do we have the
 report to get the
 system in place?*

22 March 1988

Dear Malcolm,

TEACHERS' PAY 1988-89

Thank you for your letter of 16 March about the Scottish teachers' pay settlement.

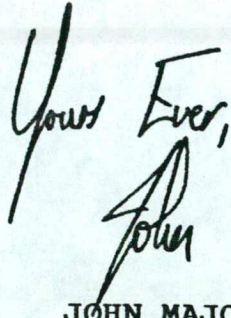
I agree with you that it is much too high, and is bound to have undesirable repercussions for the settlements in England and Wales. But regrettably, as you say, we do not have the means to overturn it. You have already made it clear to local authorities that the extra cost this year will have to be made at the expense of their other services if the rate payers are not to be penalised, but we should also make it clear that the continuing cost of this settlement in later years will add to Community Charges in Scotland, and will not be funded by grant.

The main lesson we must draw from this episode is to prevent a similarly unacceptable settlement in 1989. If we are to do this the legislation you have for the next session must put the new negotiating machinery in place for 1989, rather than 1990 as originally planned. I also consider that the legislation for Scotland should be in line with the proposals we have in mind for England and Wales, otherwise there may be scope for our opponents to exploit differences between Scotland and England as they have done on this occasion. Subject to the views of colleagues I suggest that the model for the

CONFIDENTIAL

new arrangements should be the Teachers' Negotiating Group described in the Green Paper. This would give us not only a majority on the management side, but also the power to impose a settlement should this be necessary.

I am copying this letter to the Prime Minister, Kenneth Baker, Norman Fowler, Peter Walker, Tom King, Nicholas Ridley and to Sir Robin Butler.

Yours Ever,


JOHN MAJOR



ELIZABETH HOUSE
YORK ROAD
LONDON SE1 7PH
01-934 9000

CH/EXCHEQUER	
REC.	31 MAR 1988 81/2
ACTION	CST
COPIES TO	

Paul Gray Esq
10 Downing Street
LONDON
SW1

AG
30 March 1988

Dear Paul

TEACHER UNION CONFERENCES

Mr Baker promised to circulate a brief note setting out a line to take on current issues concerned with schools which may receive some publicity during the school teacher union conferences. A note is attached. The three teacher union conferences taking place over the next week are those of the National Union of Teachers (NUT), the National Association of School Masters/Union of Women Teachers (NAS/UWT) and the Association of Assistant Masters and Mistresses (AMMA).

This letter is copied to the Private Secretaries to each member of the Cabinet and to Sir Robin Butler.

Yours,

Ton.

T B JEFFERY
Private Secretary

SCHOOL TEACHER UNION EASTER CONFERENCES

LINE TO TAKE ON CURRENT SCHOOLS ISSUES

School Teachers' Pay and Conditions

The IAC submitted their report on 31 March. It will be considered carefully by the Secretary of State. It will be published later this month together with the Government's views as a basis for statutory consultation. Under the requirements of the Teachers' Pay and Conditions Act 1987 there will be full consultation with the interested parties before an Order is laid before Parliament changing existing pay levels.

Green Paper on Future Arrangements for Determining Teachers' Pay and Conditions

The former negotiating arrangements under Burnham had to be abolished because of the chaos they created. The Green Paper proposed the establishment of a Teachers' Negotiating Group which would provide for future negotiations from April 1990. There have been various responses to the Green Paper. Several organisations have asked to see the Secretary of State about future arrangements. These meetings will take place later in the Spring.

National Curriculum

Since 1979 the Government's objective has been to raise the standards attained by pupils in all maintained schools by securing a broad, balanced and relevant curriculum matched to children's differing abilities. Progress towards that objective on a voluntary basis has not been fast enough for the children's or the nation's needs. The National Curriculum will make such a curriculum requirement for all pupils, so that they all have the opportunity to achieve their potential and prepare for the responsibilities and challenges of adult life.

Testing

Assessment, including testing, should be an integral part of good teaching, and help to raise standards. Teachers and parents must be able systematically to find out what individual children know, understand and can do, so that they can discover what stage the children have reached, identify strengths and weaknesses and plan their next educational steps.

And those concerned have a right to clear and fair information on how schools are performing. The Task Group on Assessment and Testing has endorsed these principles. The Government has welcomed the broad framework proposed by the Task Group, and will be considering its detailed recommendations in the light of public reaction and of further advice awaited from the Group.

GCSE (General Certificate of Secondary Education)

The Government recognises the highly professional and time-consuming demands GCSE is making on teachers. The recent HMI report provides reassuring evidence that the new examination is being successfully introduced. The GCSE is already leading to better teaching and learning in many classrooms across a wide range of subjects. This is greatly to the credit of teachers: it is through their efforts that GCSE will be a success.

Financial Delegation

Financial delegation represents a challenge and an opportunity for all concerned. Governors and heads will have the freedom to target resources, particularly their most vital resource - their teachers - in accordance with their own school's needs and priorities. Pilot schemes of financial delegation are already operating in around a quarter of all LEAs and their experience shows the benefits to be real and extensive: better management means better education.

Grant-Maintained Schools

The objective of the Government's proposals is to extend the range of choice available to parents within the maintained schools sector. There is nothing compulsory about grant-maintained status: schools will opt out only where parents and governors want it. A grant-maintained school will provide free education and will be funded no more and no less generously than it would have been, had it remained in local authority control. The only privilege it will enjoy will be the freedom for the governors to run the school, free of outside interference.

Discipline in Schools

Teachers deserve, and should get, society's wholehearted support in pushing for acceptable standards of behaviour. The Secretary of State has announced an enquiry into discipline in schools, which will be chaired by Lord Elton. It will start work at once and report by the end of the year. It will look at what action can be taken to secure the orderly atmosphere necessary in schools for effective teaching and learning to take place.

ILEA

ILEA has a unique combination of extravagant spending and poor results. That is why in our manifesto we signalled the end of the unitary authority. When it became clear that several boroughs were actively preparing to leave ILEA, the case for transferring education responsibilities to all boroughs in an orderly way became very strong. The Government believes that borough level LEAs will be more responsive to parents' risks than a remote County Hall; we are building safeguards into our legislation to ensure that the transfer of responsibility takes place with no disruption to schools and colleges.



ELIZABETH HOUSE
YORK ROAD
LONDON SE1 7PH
01-934 9000

EXCHEQUER	
DATE	19 APR 1988 ✓ 19/4
REVISION	CST
COPIES TO	

Paul Gray Esq
Private Secretary
10 Downing Street
London SW1A

19 April 1988

Dear Paul

Your letter of 18 April conveyed the Prime Minister's agreement to the broad character and timing of an announcement on Teachers' Pay. I now attach for information a copy of the Written Answer which my Secretary of State will be giving this afternoon.

I am copying this letter to the Private Secretaries of E(EP) Ministers and to Sir Robin Butler.

Yours,

Tom.

T B JEFFERY
Private Secretary

PQ ON THE IAC REPORT

Question: To ask the Secretary of State for Education and Science when the report of the Interim Advisory Committee on School Teachers' Pay and Conditions will be published.

Answer: The report of the Interim Advisory Committee on School Teachers' Pay and Conditions is being published today. I am also initiating the consultation required by Section 3(1) of the School Teachers' Pay and Conditions Act 1987 by writing today to the relevant local authority associations, teacher unions and bodies representing the interests of the governors of voluntary schools setting out my proposals. The text of the letter is as follows:

'[text of consultation letter]'

TEXT OF LETTER OF 19 APRIL FROM THE SECRETARY OF STATE FOR
EDUCATION AND SCIENCE TO THE RELEVANT LOCAL AUTHORITY
ASSOCIATIONS, TEACHER UNIONS AND BODIES REPRESENTING THE
INTERESTS OF THE GOVERNORS OF VOLUNTARY SCHOOLS

TEACHERS' PAY AND CONDITIONS OF EMPLOYMENT

1. On 27 October 1987 I asked the Interim Advisory Committee on School Teachers' Pay and Conditions to examine and report to me on certain issues. I enclose a copy of the Committee's report which is being published today. The Committee's recommendations are summarised in Chapter 7 of its report. I propose to make an Order giving effect to the recommendations referred to in paragraphs 2 to 6 below. But before I take a decision on what provision I should make, I invite your views. This letter therefore initiates the consultation required by Section 3(1) of the School Teachers' Pay and Conditions Act 1987.

2. I propose to accept the Committee's recommendation that the salaries of all qualified teachers should be raised by a uniform percentage to the figures set out at paragraph 4.4.1 of the Committee's report with effect from 1 April 1988. As a result of accepting the recommendation in paragraph 4.1.16 about the distribution of the £300m, the salaries and allowances for unqualified teachers and the allowance for teachers of the visually impaired and hearing impaired would be increased by the same percentage as for qualified teachers.

3. I propose to accept the recommendation in paragraph 5.3.6 that the rates of the London area allowances should be increased by 7.5% with effect from 1 July 1987.

4. I propose to accept the recommended increases in the value of the incentive allowances (paragraphs 4.3.9, 4.3.11 and 4.3.12) to the following annual amounts with effect from 1 April 1988.

<u>Rate</u>	<u>Annual Amount</u> (£)
A	800
B	1200
C	2400
D	3200
E	4400

5. I see advantages in the Committee's recommendation in paragraph 4.3.7 that the programme of introduction of the A allowances should be accelerated. I had been envisaging that there would be a further 12,000 A allowances from September 1988 with additions of a similar number in each of the two subsequent Septembers. In the light of the Committee's recommendations about accelerating the introduction of A allowances I believe that this further expansion of 36,000 A allowances should be spread over two years rather than three, with 18,000 further A allowances from September 1988 and a further 18,000 from September 1989. This will mean some revisions to the limits relating to incentive allowance A in Annex A to Appendix I of the 'School Teachers' Pay and Conditions Document 1987'.

6. I propose to accept the Committee's recommendation in paragraph 5.4.11 about the social priority allowance.

7. The Order I propose to make to give effect to all of the above would do so by bringing into effect a new School Teachers' Pay and Conditions Document. The Committee's remaining recommendations do not require other changes to this year's revision of the Document: I do not therefore propose to change the Document in response to these recommendations. Nor is it intended to revise the RSG settlements for 1988-89 on account of the proposals set out in paragraphs 2 to 6 above.

8. Any comments on the proposals set out above and on any other matters raised in the report are invited by 10 May. If you would like to express your views in a meeting would you let my office know of this as soon as possible so that any meetings with myself or officials can take place by 13 May at the latest.

9. Following these consultations a revised version of the Teachers' Pay and Conditions Document will be prepared. There will then be opportunity to comment on the precise wording of the amendments to the Document prior to the publication of the new Document and the laying before Parliament of an Order which will give effect to the provisions in the revised Document.

10. The Interim Advisory Committee say that they hope it will be possible for a copy of the report to be seen by teachers in every maintained school. Enough copies of the report are being sent to each local education authority for a copy to be circulated to each school.



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CONFIDENTIAL

PRIME MINISTER

Handwritten initials

TEACHERS' PAY

I have seen Kenneth Baker's paper which was to have been discussed at E(EP) today.

I support Kenneth's view that there is a great deal to be gained in terms of public support from accepting the Committee's recommendations in their entirety. Although implementing the recommendations would involve a marginally higher cost than the £300 million which the Committee were given as a ceiling, the overall cost of the settlement would still be considerably less than has been allowed for other groups; and the additional £32 million element is targetted as we would want to see it - as an incentive to good teachers.

/ I am copying this to members of E(EP).

Handwritten signature: P W

P W

19 April 1988

Approved by the Secretary of State
and signed in his absence

CONFIDENTIAL

FROM: J DE BERKER

DATE: 14 October 1988

1. MS SEAMMEN *of*
2. CHANCELLOR OF THE EXCHEQUER

cc Chief Secretary
Paymaster General
Sir P Middleton
Dame Anne Mueller
Mr Anson
Mr Phillips
Mr C W Kelly
Mrs Case
Mr Farthing
Mr Potter
Mr S Kelly
Mr Cropper

Ch/ content?
mpw
Content ✓

EVIDENCE FROM THE DEPARTMENT OF EDUCATION AND SCIENCE TO THE IAC

1. The draft DES Evidence to the IAC is attached. It has been agreed at official level and Mr Baker will be looking at it over the week-end. If you are content we will clear it at official level provided that there are no significant changes.

Background

2. The IAC's remit states that the total cost of their recommendations, including those for selective payments should not be more than an additional £385 million in the 1989-90 financial year or in later years. The remit is set out in Mr Baker's letter to Lord Chilver of 14 September which is attached.

3. This year the IAC will be reporting at the end of January (or mid-February at the latest) and they have asked for written evidence by 17 October. We did not receive a draft until Wednesday evening. We have told the DES that you will want to see it before it goes to the IAC. The written evidence is expected to be the main item although oral evidence and responses to further questions will be provided if required. The evidence is not published but the IAC circulates it to other bodies giving evidence so that they can comment on it.

The Evidence

4. This has been modified in the light of our comments. It consists of 42 paragraphs of text, 13 tables, and some annexes. The broad thrust of the evidence is that any general pay increase should be restrained in favour of increases for heads and deputies, further incentive allowances, and measures for high cost housing areas.

5. On the general pay increase the IAC is reminded that just over half of main scale teachers can expect an increment in September 1989 averaging £600, and that this will add some £90 million to the pay bill (not included in the £385 million remit). Starting salaries are competitive, and although vacancies in greater London are running above the national average, for the country as a whole secondary vacancies are running at 1 per cent and primary vacancies at 1.4 per cent. The general level of applications for initial teacher training is up on last year - although within this applications for secondary training are down.

6. On heads and deputies the IAC are asked to re-examine the differentials between them and other teachers in the light of their substantially increased responsibilities following recent legislation.

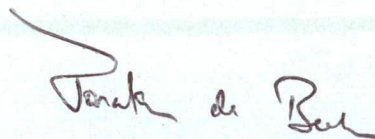
7. On incentive allowances they are asked to consider how far the allowances system as a whole, taken with head and deputy posts, now provides a suitable career structure. They are also asked whether the number of allowances is sufficient to allow local education authorities to make effective use of them for recruiting teachers to shortage subjects. The evidence points out difficulties in recruiting teachers for maths, physics, modern languages and CDT (Craft Design Technology).

8. Lastly, the Committee are asked to take a further look at the problem of recruitment and retention in high cost housing areas.

Conclusion

9. We would be grateful for your comments. If your are content we will clear the evidence at official level provided that there are no further significant changes.

10. HE are content.

A handwritten signature in dark ink, appearing to read "Jonathan de Berker". The signature is written in a cursive style with a prominent initial 'J'.

JONATHAN DE BERKER



AC3 AD

ELIZABETH HOUSE
YORK ROAD
LONDON SE1 7PH
01-934 9000

Lord Chilver FRS, FEng, CBIM
Chairman
Interim Advisory Committee on
School Teachers' Pay and Conditions

14, September 1988

Dear Henry,

1. The purpose of this letter is to set out the issues on which the Government seeks the Interim Advisory Committee's advice in respect of the year beginning 1 April 1989.
2. In accordance with Section 2 of the Teachers' Pay and Conditions Act 1987 I invite the Interim Advisory Committee to examine and report on the following matters subject to the considerations in paragraph 3 and to the constraints in paragraph 4:
 - i. what general pay increase should be given to teachers in England and Wales;
 - ii. what modifications should there be to the pay of heads and deputies, taking into account in particular the introduction of local management schemes for schools;
 - iii. what modifications should be made to the system of selective payments. In particular

- what further increase should be made in the proportion of the pay bill devoted to incentive allowances;
 - are changes in incentive allowances needed to deal with subject shortages in the context of introducing the National Curriculum;
 - what measures should be adopted to tackle teacher recruitment difficulties in high cost housing areas, including consideration of the level of London Weighting;
- iv. what amendments are needed to the School Teachers' Pay and Conditions Document 1988 to reflect the enhanced role of the governing body in schools operating within an approved local management scheme;
- v. what amendments to the Document are needed to cover teachers in grant maintained schools; and
- vi. are any other amendments needed to the provisions on pay or conditions of service?

My Department will in due course place evidence before the Committee in relation to these matters.

3. In considering these matters I direct the Committee under sub-section (4) of Section 2 to have regard to the following considerations.

i. The Government's view that school teachers' pay and conditions of service should be such as to enable the maintained school system to recruit, retain and motivate sufficient teachers of the required quality both nationally and at local level within what can be afforded.

ii. The Government's intention not to make major changes to the pay structure or the provisions relating to teachers' duties and working time set out in the School Teachers' Pay and Conditions Document 1988.

4. I further direct under sub-section (4) of Section 2 that the Committee's recommendations are to be subject to the following constraints.

i. The rates of salaries and allowances to be recommended by the Committee shall be in respect of the period 1 April 1989 to 31 March 1990, but the Committee may also consider and make recommendations about the London area allowances from 1 July 1988 if they so wish.

ii. The total cost of all the recommendations of the Committee including those for selective payments should be not more than an additional £385m in the 1989-90 financial year or in later years.

5. I also direct the Committee to report to me the results of their examination of these matters, with their recommendations and such other advice relating to these matters as they think fit, by the end of January 1989, or mid-February at the latest. Sub-section 7 of Section 2 of the Act requires me to arrange for your report to be published.

7
from study
Kenneth Wake

INTERIM ADVISORY COMMITTEE ON SCHOOL TEACHERS' PAY AND CONDITIONS

WRITTEN EVIDENCE FROM THE DEPARTMENT OF EDUCATION AND SCIENCE

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October 1988

DRAFT

EVIDENCE FROM THE DEPARTMENT OF EDUCATION AND SCIENCE TO THE
INTERIM ADVISORY COMMITTEE ON SCHOOL TEACHERS' PAY AND CONDITIONS

SECTION I: INTRODUCTION

1. The Secretary of State's letter to Lord Chilver of 14 September requested advice from the Interim Advisory Committee. In accordance with section 2 of the Teachers' Pay and Conditions Act 1987 the letter invited the Committee to examine and report on specified matters set out in paragraph 2, subject to considerations in paragraph 3 and to constraints in paragraph 4. The Secretary of State said in his letter that his Department would place evidence before the Committee in relation to the matters on which advice is sought.

2. The Secretary of State was most grateful for the work which the Committee did leading up to its report submitted on 31 March 1988, which was widely welcomed for its thorough analysis. The Secretary of State accepted all the Committee's recommendations on pay rates and following the consultation process they were incorporated into the School Teachers' Pay and Conditions Document 1988.

3. The Committee's work this year follows the passage of the Education Reform Act 1988. This Act has profound implications for all teachers, with the introduction of a National Curriculum accompanied by assessment and testing, the introduction of local management of schools, and the setting up of grant-maintained schools. Various aspects of the Act are touched on in the evidence that follows.

SECTION II: BACKGROUND INFORMATION

4. In its 1988 report the Committee criticised the availability of up-to-date statistical information on teachers. The Department has commissioned the management consultants Logica to carry out a study of information requirements relating to teachers including desirable timings. Most tables included with this evidence contain data relating to January this year and up-to-date estimates have been produced for point of scale and incentive allowances information. Detailed recruitment and wastage statistics are still not available for the recent past: 1988 statistics on unfilled vacancies are however included. The 1988 secondary school staffing survey data are being processed: these will inform judgements on the extent to which teaching is being carried out by appropriately qualified staff, and on teacher quality in terms of qualifications and training. Our aim is to have some information from this survey available towards the end of November.

5. Table 1 shows teacher numbers at January 1988. There were 449,000 (full-time equivalent) teachers employed in the provision of primary and secondary education by local education authorities in England and Wales, including those in nursery and special schools and providing education other than at school.

6. The Government's expenditure plans as set out in Cm 288 would allow the overall pupil-teacher ratio in nursery, primary and secondary schools to remain at its current level of 17.0:1. On this basis, total teacher numbers will fall by about 8,000 between 1988 and 1990 as pupil numbers continue to fall. Table 2 shows planned teacher numbers and estimated costs for the financial year 1989-90. The costs are before the effects of any recommendations by the Committee for April 1989 but allow fully for the incremental progression of teachers in service and for the planned increases in incentive allowances.

7. Table 3 shows a breakdown of the total estimated cost among the various types of teachers and allowances. This table corresponds to that in Appendix 6 of the Committee's 1988 report but is based on updated information which has resulted in amendments to the figures.

8. ^{5.9}~~5.7~~ Retail price inflation in the year to September 1988 was ~~5.7~~ per cent. The Tax and Prices Index - a better indicator of the course of real take-home pay - stood at ^{3.9}~~3.7~~ per cent in September. A new official forecast of retail price inflation will be made in the Autumn Statement: this usually takes place some time in November.

SECTION III: THE GENERAL PAY INCREASE

9. The remit asks the Committee to advise on what general pay increase should be given to teachers in England and Wales. The Committee will need to decide how to distribute the sum which it concludes should go towards a general pay increase within the constraints of the remit as a whole. The following paragraphs contain information which may be relevant to that decision.

10. Table 4 shows the expected percentage of main scale teachers on each increment of the main scale at September 1988 and at September 1989. Just over half of main scale teachers can expect an increment in September 1989. The costs of the incremental system will add some £90 million to the pay bill in 1989-90.

11. The average value of an increment is about £600, and this is in addition to any general pay increase. There is some evidence to suggest that at the present time poor perceptions of career prospects are a more important deterrent to would-be teachers entering the profession than starting salaries, which are seen as reasonably competitive. The Government believes that

stretching differentials in the profession will help retention and motivation of teachers, and this would be assisted if the percentage increase were lower for the lower points on the main scale. All teachers can still expect to progress to the top of the main scale without having to be promoted, and to receive the value of an annual increment each year as they move up.

12. In January 1988 vacancy data were collected for the first time for primary as well as secondary schools. Tables 5 and 6 show unfilled teacher vacancies by region, by phase. The main messages appear to be:

- secondary vacancies are down 20% on 1987 and are now running at about 1%;
- primary vacancies overall are running at about 1.4%;
- Greater London continues to be the area of most pronounced vacancies, though there are also higher than average vacancies in other parts of the South East and to some extent in the West Midlands.

A complicating factor in interpreting the returns of vacancies is that the number of vacancies which an LEA declares will be affected by the extent to which it feels it can afford improvements in staffing levels, or alternatively is seeking savings on staffing levels.

13. The Committee will be aware that LACSAB have undertaken surveys on teacher resignations; the Committee may be able to obtain from them more up-to-date information than the 1985-86 figures which could be extracted from the DES database of teachers records.

14. Recruitment to Initial Teacher Training in 1987 was particularly good, showing a marked increase over 1985 and 1986.

Information for 1988 will not be available until late November, but the general level of applications in 1988 shows an increase of 2% over 1987 and therefore maintains an upward trend. Applications for primary courses are up 11% on 1987 and 86% over planned intakes, while applications for secondary training are down 8% on 1987 but are 44% over planned intakes. The position on shortage subjects is discussed in section VI below. We have yet to see how the Department's recruitment campaign, spearheaded by the Teaching as a Career Unit (TASC), affects the take up of places by applicants.

SECTION IV: HEADS AND DEPUTIES

15. In its 1988 report the Committee said that it had not found evidence of serious recruitment, retention, motivation or quality problems affecting heads and deputies. A recent survey of job advertisements carried out by Oxford Polytechnic suggests some increase in the number of head teacher posts not filled when first advertised. One in five head teacher posts was readvertised during 1987.

16. Table 7 shows the number of heads and deputy heads being paid the salary for each Group of school in March 1986. Because salary is usually safeguarded when a school enters a lower Group, it is likely that these numbers will not have changed much since.

17. Recent legislation has substantially increased the responsibilities of head teachers. The Education (No 2) Act 1986 placed a responsibility on head teachers of county and controlled schools to ensure that the curriculum in their school was compatible with the LEA's policy or with that policy as modified by the governing body, and with the enactments relating to education. Section 10 of the Education Reform Act places a duty on the head teachers of all maintained schools to secure that the National Curriculum is implemented in the school, and that the provisions of the Act relating to religious education and

collective worship are followed. The National Curriculum entails also the arrangements for assessment and testing of pupils. Head teachers will expect and need support from their deputies in implementing these responsibilities.

18. The Education Reform Act has further implications for the work of head teachers, and their deputies, in its provisions on local management of schools. Where the school has a delegated budget, the head teacher will have an enhanced and direct management role. Within the overall framework set by the governors, he or she will manage the allocation of resources in the school, and will take greater responsibility for staffing matters as chief adviser to the governors. In this the head will be supported by the deputies.

19. LEA schemes of local management must be submitted to the Secretary of State for approval by 30 September 1989 (30 September 1991 for inner London). Approved schemes will come into force from 1 April 1990 (1 April 1992 for inner London) with the introduction of formula funding for all maintained primary (excluding nursery) and secondary schools. Schemes will not cover special schools. All secondary schools and those primary schools with 200 or more pupils must be given control over a delegated budget by April 1993 (April 1994 for inner London); most LEAs will phase in delegation from 1990 onwards but some may give it to all such schools in 1990. Some LEAs may also exercise their discretion to extend delegation to smaller primary schools.

20. The Committee's recommendations for 1988 entailed some reduction of differentials between heads and deputies on the one hand and holders of incentive allowances on the other hand. In the light of the new responsibilities falling on heads and deputies the Secretary of State wishes the Committee to reexamine the differentials between head teachers, deputy heads, and other teachers in schools of all sizes.

SECTION V: INCENTIVE ALLOWANCES

21. Table 8 shows the planned number and cost of incentive allowances in the financial year 1989-90, following the Secretary of State's acceptance of the Committee's recommendation that the introduction of the A allowances should be speeded up. The net addition to the teachers' pay bill in 1989-90 from the planned increases in A, C and E allowances will be nearly £20 million.

22. The continuing changes in numbers of allowances will mean that changes are needed to the ranges in the Table at Annex A to Appendix I of the School Teachers' Pay and Conditions Document 1988. DES Circular 3/88 gave an indication of how the Table might look at September 1990 (reproduced as Table 9 annexed to this evidence). We suggest that it would be convenient for authorities and schools if the 1989 Document moved a long way towards those ranges. In order to avoid changes to the minima and maxima for each school during the academic year 1988-89, we suggest that new ranges should come into effect from August 1989 rather than April 1989. The ranges could then make appropriate provision for the planned number of allowances in the 1989-90 school year. Table 10 shows how the ranges might look in the 1989 Document on this basis and we ask the Committee to endorse this.

23. The 1988 Document provides that the ranges for A allowances may not be exceeded. The Department believes that this provision remains appropriate while the A allowances are being introduced. They are a new kind of allowance and there is still a risk of their not being awarded, or alternatively of their being given indiscriminately to all former holders of Scale 2 in the Burnham system, of whom there were nearly 130,000.

24. The remit letter asked the Committee to consider what further increase should be made in the proportion of the pay bill

devoted to incentive allowances. The incorporation of Scale 1 in a new longer main scale and the establishment of the A allowance increased teachers' opportunities for advancement, but the Committee may now wish to consider how far the allowance system as a whole, taken with head and deputy posts, now provides a suitable career structure for teachers.

25. The numbers of incentive allowances at each rate planned for schools other than special schools for September 1990 are shown below, together with estimated numbers of heads and deputies and total numbers of teachers (excluding seconded, occasional and student teachers and instructors) in each sector, and the percentage of teachers expected to be at each level:

Rate	Primary	Secondary
A	34,000 (18%)	27,000 (13%)
B	17,000 (9%)	24,000 (11.5%)
C	4,000 (2%)	24,000 (11.5%)
D		24,000 (11.5%)
E		11,000 (5%)
Deputies	19,000 (10%)	10,000 (5%)
Heads	22,000 (11%)	5,000 (2.5%)
Total promoted posts	96,000 (50%)	125,000 (60%)
Total teachers	192,000	210,000

26. The Committee may wish to consider the planned pattern of allowances in relation to the need to motivate good teachers. At October 1987 the allowances at rates B, D and E were awarded to teachers who had formerly been on Burnham Scale 3, Scale 4 or Senior Teacher. Present plans allow for a phased increase to September 1990 in numbers of C allowances and a corresponding decrease in B allowances, and an increase in E allowances and corresponding decrease in D allowances, but not for an overall increase in the numbers of these higher allowances. The

Department can assist with modelling projected flows between rates of allowance and to deputy head and head as teachers retire or leave the profession.

SECTION VI: SHORTAGE SUBJECTS

27. Table 11 shows vacancies by subject. It demonstrates improvements in the shortage subjects of mathematics - down 32% on 1987; physics - down 48%; and CDT - down 39%. Even the figures for modern languages have improved by 13% since 1987. The figures give no indication of the extent of teaching being carried out by staff whose main qualification is not in the subject being taught. Figures derived from the 1984 survey of secondary school staffing showed that within individual subjects, such teachers were responsible for 13% of mathematics tuition, 17% of physics and 45% of design-based CDT. These figures are now out of date. The results of the 1988 survey, carried out in March this year, should be available towards the end of the year. The 1988 staffing survey should give some indication of whether the fall in secondary vacancies recorded in section III above has been accompanied by a reduction in the number of teachers teaching outside their specialist areas.

28. The Department is currently working on estimates of the teacher demands of the National Curriculum in the next decade. This year's secondary school staffing survey should provide much better data on the existing stock of teachers. Allocations of Initial Teacher Training places for 1990 and 1991-93 will take account of the National Curriculum. The demands of the National Curriculum, particularly in technology and modern languages, will make it more difficult in the short term to obtain an adequate match between teachers' qualifications and the subjects they are teaching.

29. The lower applications figures for secondary ITT this year include reductions in the shortage subjects: mathematics -

down 10% on last year and now only 8% over planned intakes as compared with 36% last year; physics - down 12% and down to 47% over planned intake (89% last year); modern languages - down 6% and down to 32% over planned intake (43% last year); and CDT - down 7% and only 14% over planned intake (39% last year). Actual recruitment in these subjects in 1987, other than physics where the planned intake was achieved, ran at about two-thirds of applications and 10% or more under target.

30. The Government's initiatives to remedy shortage have continued. £19 million has been committed in the current financial year to improved in-service training in the shortage subjects of mathematics, science and CDT - £2.5 million more than in the previous year. The Department is also spending £3 million on other measures including: bursaries of £1300 to trainee teachers of mathematics, physics and CDT; taster courses; regional conferences with industrialists; support for new in-service and initial teacher training courses; Open University distance learning packages; and a series of television programmes for teachers.

31. The School Teachers' Pay and Conditions Document allows LEAs to use incentive allowances to recruit teachers of shortage subjects, since this is one of the criteria for awarding allowances set out in paragraph 7(5) of the Document. The Committee may wish to consider whether the planned number of allowances will be sufficient to enable LEAs to make effective use of them for this purpose.

SECTION VII: HIGH COST HOUSING AREAS

32. The Committee gave some preliminary thought to the problem of recruitment and retention in high-cost housing areas in its 1988 report. The Secretary of State asks that the Committee should now take this work forward, making

recommendations where appropriate for changes to the Document.

33. Table 12 gives some examples of what particular authorities are reported to be doing in the way of selective recruitment and retention measures. The Committee may also find it useful to talk to the Teaching as a Career Unit (TASC) whose officers have been discussing recruitment activities with local authorities. A copy of the Unit's recruitment guidelines is at Annex A.

34. Table 13 shows estimated numbers of teachers in receipt of London allowances, and associated costs. The Committee will wish to consider the levels of London allowance, and perhaps the continuing appropriateness of the various areas in which it is paid.

SECTION VIII: LOCAL MANAGEMENT OF SCHOOLS

35. Local management of schools was outlined in section IV. It is important that both local education authorities and governing bodies should know where they stand well in advance of a school actually receiving a delegated budget under an approved scheme of local management. The Secretary of State therefore intends to make shortly an order under section 46 of the Education Reform Act amending section 3(5)(a) of the Teachers' Pay and Conditions Act 1987 so as to enable provision to be made for discretions to be exercised by the governing bodies of schools with delegated budgets. He has asked the Committee to report on what amendments are needed to the Document to reflect the enhanced role of the governing body in schools operating within an approved local management scheme. He envisages making such amendments to the 1989 Document so that the position is clear to everyone.

36. The intention of local management is that the governing body, with advice from the head teacher, should become

responsible for the running of the school so far as practicable. To this end, the Secretary of State believes that most of the discretions as regards the pay and conditions of service of school teachers now exercised by local education authorities should pass to the governors of schools with delegated budgets. There will be some exceptions where the authority retains the policy responsibility (as with in-service training of teachers) or has the relevant expertise on a technical question (as with determining whether a qualification is of degree equivalence).

37. The Secretary of State's detailed views on this matter are given at Annex B. Part A of that Annex indicates the discretions contained within the Document and currently exercised by local education authorities which the Secretary of State believes should pass to the governing body of schools with delegated budgets. Part B indicates the discretions which the Secretary of State believes should remain with the local education authority. Part C indicates an area where the Document might allow the responsibility to be exercised by either the governing body or the authority depending on the provisions of the local scheme.

SECTION IX: GRANT-MAINTAINED SCHOOLS

38. Chapter IV of Part I of the Education Reform Act 1988 deals with grant-maintained schools. Any LEA-maintained secondary school, and any LEA-maintained primary school with 300 or more pupils, is eligible to apply for grant-maintained status following a ballot of the parents. Where the Secretary of State approves a proposal that a school should become grant-maintained, section 75 provides that teachers working solely at the school will transfer automatically to the service of the governing body of the grant-maintained school, and teachers working partly at the school may be transferred by order. On the transfer date the governing body will be substituted for the former employer in the teacher's contract of employment.

39. Paragraphs 38 and 39 of Schedule 12 to the ERA apply the Teachers' Pay and Conditions Act 1987 to grant-maintained schools. The School Teachers' Pay and Conditions Document will consequently apply to these schools. The first grant-maintained schools may be established in September 1989 and it is therefore important that the 1989 Document contains suitable provisions to cover teachers working in them.

40. In general, it should suffice for the functions of the LEA under the Document, both mandatory and discretionary, to be exercised in grant-maintained schools by the governing body (this will include functions which in schools with delegated budgets would be exercised by the governing body). The Committee is invited so to recommend. Functions which under the Document belong to the teacher's "employer" will go automatically to the governing body of grant-maintained schools.

41. There are a few points where more sophisticated provision may be needed. It is suggested that the Committee should also recommend the following:

- (a) at paragraph 27(4) of the Document, a head teacher is to carry out his professional duties in accordance with any trust deed applying to a voluntary school. This provision should apply also to any grant-maintained school which was formerly a voluntary school;
- (b) paragraph 21 of the Document provides for safeguarding. As the Document stands, safeguarding would not apply to teachers moving between grant-maintained schools and other schools. It is suggested that discretionary safeguarding, on the basis laid down in paragraph 21, might apply between a grant-maintained school and its former maintaining authority, in either direction. Provision might be made under which the governors of the

grant-maintained school could pay a safeguarded salary to a teacher joining the school from a post where his or her salary was paid by that LEA; and likewise the LEA could pay a safeguarded salary to a teacher coming to its service from a grant-maintained school which it used to maintain. None of this safeguarding should be mandatory. Such provisions could assist relations between the LEA and the school and be of value to the careers of teachers in the area;

- (c) similar discretionary safeguarding could be applied, as between a grant-maintained school and its former maintaining authority, to London allowances in the circumstances described in paragraph 18(4) of the Document, and to social priority allowances in the circumstances described in paragraph 17(1).

SECTION X: OTHER AMENDMENTS TO THE DOCUMENT

42. There are a small number of other points where the Department believes that an amendment to the text of the 1988 Document is necessary or desirable. The following paragraphs discuss these points.

The Education Reform Act

43. Paragraph 27 of the Document provides that a head teacher shall carry out professional duties in accordance with the provisions of the Education Acts 1984 to 1986. In order to cover the Education Reform Act, this needs to be updated to the Education Acts 1944 to 1988.

The Curriculum

44. Chapter I of Part I of the Education Reform Act makes new arrangements in relation to the school curriculum, including

the establishment of a National Curriculum. The Document would cover these changes if the above amendment is made to paragraph 27. But nonetheless we think it would be desirable to refer explicitly to compliance with the National Curriculum, and the requirements in respect of religious education and collective worship, when introduced, in the section dealing with the head teacher's responsibility for the curriculum at paragraph 30(5). The description of the professional duties of other teachers (paragraph 35) might also refer to the need to work within the new framework for the curriculum established by Chapter I of Part I of the Education Reform Act.

Licensed Teachers

45. The Department issued a consultation document on qualified teacher status (QTS) in May 1988, with a request for responses by 14 October. The consultation document proposed a reform of existing non-standard routes to QTS, which would be replaced by a new route whereby suitable candidates would become "licensed teachers". Such candidates would ordinarily possess an educational qualification above A level, and would receive training during a two-year period of employment, following which they would be recommended for QTS. The consultation document suggested that licensed teachers could be paid either as qualified teachers or unqualified teachers, as the authority or governors considered appropriate. This was in order to create flexibility in their recruitment.

46. The Secretary of State will decide after considering the responses to the consultation document whether to proceed with the introduction of licensed teacher status from September 1989. In the meantime, he asks the Committee to make a recommendation on the pay of licensed teachers contingent on their introduction, and on the basis that there should be discretion to pay such teachers either as if they were qualified teachers or as if they were unqualified teachers. Such discretion should be exercised

by the authority in maintained schools without delegated budgets; by the governing body in maintained schools with delegated budgets; and by the governing body in grant-maintained schools.

Retrospective Award of Qualified Teacher Status

47. Section 218 of the Education Reform Act will, when it is brought into force, enable regulations to be made giving the Secretary of State power to grant QTS retrospectively. It is intended that such regulations should be made before April 1989. This will enable simplification of the provisions of paragraphs 14 and 15 of the Document, and paragraph 3 of Appendix II. The Committee is asked to recommend that these provisions should be amended so as to impose a duty on any LEA by whom a teacher is employed after the date on which he attains QTS to pay him the difference between the remuneration he received from them during that period and the remuneration he would have received as a qualified teacher. Any such provision would be subject to the necessary regulations being in force under section 218.

Midday Supervision

48. Paragraph 23 of the Document refers to payment for midday supervision. Midday supervision is not part of the work of a teacher and payment for it is now considered within the arrangements for local authority manual workers. We suggest that the reference to it should be deleted from the Document.

TABLE 1

ACTUAL TEACHER NUMBERS : JANUARY 1988, ENGLAND AND WALES¹ (FTE)

	REGULAR FULL-TIME E+W ('000s)	REGULAR PART-TIME E+W ('000s)	OTHERS ² E+W ('000s)	TOTAL E+W ('000s)	WALES ('000s)	ENGLAND ('000s)
I PRIMARY (INCLUDING NURSERY)	172.9	8.9))))
II SECONDARY	205.2	8.7	) 17.9	) <u>428.2</u>	) 26.7	) <u>401.5</u>
III MISCELLAN- EOUS PRIMARY AND SECOND- ARY (MOSTLY PERIPATETIC)	13.4	1.2))))
IV SPECIAL	16.7	0.7	0.9	18.3	0.7	17.6
V NOT IN SCHOOLS	1.9	0.7	0.1	2.7	0.2	2.5
TOTAL	410.1	20.2	18.9	<u>449.2</u>	27.6	<u>421.6</u>

¹ Source : Form 618G, January 1988.

² Including teachers on secondment, occasional teachers, student-teachers and instructors.

TABLE 2

GOVERNMENT ESTIMATE OF TEACHER NUMBERS¹ AND COSTS : FY 1989-90
ENGLAND AND WALES (FTE)

	TEACHER NUMBERS (ENGLAND ONLY) ('000s)	TEACHER NUMBERS (WALES ONLY) ('000s)	TEACHER NUMBERS (ENGLAND & WALES) ('000s)	TOTAL COST ² (ENGLAND & WALES) (£m)
I PRIMARY ³	187	13	200	3200
II SECONDARY ³	208	13	221	3810
III SPECIAL ⁴	19	1	20	390
TOTAL	414	27	441	7400

¹ Teacher distribution is estimated from teacher numbers by scale point at March 1986 (Source: Database of Teacher Records). Cost estimates are based on actual costs in financial year 1986-87 (Source: Form R01) and include London weighting, incremental drift and employers' oncosts. Teacher numbers are rounded to the nearest thousand.

² Total cost figures rounded to nearest £10m.

³ Includes those teachers in category III of Table 1, distributed between the primary and secondary sectors.

⁴ Includes those teachers in category V of Table 1 - ie those teaching other than in schools (eg hospitals).

TABLE 3

ESTIMATED EXPENDITURE¹ ON COMPONENTS OF TOTAL PAY BILL FOR
TEACHERS IN ENGLAND AND WALES, FY 1989-90

	£m
Total	7400
Non-salary items ²	74
SALARY BILL	7326
Social priority allowance	9
London allowance	78
Incentive allowances	330
Heads' salaries ³	593
Deputies' salaries ³	581
Main scale and unqualified teachers' salaries	5735

¹ All figures include employers oncosts and are rounded to the nearest £m.

² This figure includes such items as residential allowances, travel and subsistence.

³ Forecast based on numbers of heads and deputies at March 1986 (Source: Database of Teacher Records).

TABLE 4

ESTIMATED PERCENTAGE¹ OF FULL-TIME TEACHERS ON EACH POINT OF THE MAIN SCALE, ENGLAND AND WALES, 1988 & 1989

POINT OF MAIN SCALE	ESTIMATED % OF MAIN SCALE TEACHERS	
	<u>September 1988</u>	<u>September 1989</u>
1	0.3	0.3
2	1.2	0.8
3	1.3	1.4
4	1.9	2.5
5	3.5	3.6
6	6.5	4.4
7	7.3	7.0
8	8.7	8.1
9	15.2	8.6
10	6.8	14.3
11	47.4	49.1

¹ Using March 1986 distribution data as a base (Source: Database of Teacher Records). Special schools are not included, but would make very little difference to the result.

TABLE 5

UNFILLED TEACHER VACANCIES IN NURSERY AND PRIMARY SCHOOLS TOGETHER BY REGION, ENGLAND AND WALES, JANUARY 1988

REGIONS	VACANCIES	TEACHERS IN SERVICE ¹	VACANCIES AS A % OF TEACHERS IN SERVICE
North	25	11,596	0.2
Yorkshire & Humberside	173	17,531	1.0
North West	231	23,811	1.0
E. Midlands	120	13,898	0.9
W. Midlands	285	18,975	1.5
East Anglia	44	6,432	0.7
Gtr London ²	988	23,305	4.2
Other SE	365	33,149	1.1
South West	169	13,701	1.2
ENGLAND ²	2400	162,398	1.5
WALES	144	11,323	1.3
<hr/>			
ENGLAND ² & WALES	2544	173,721	1.5

¹ Full-time teachers including secondments.

² Includes estimated figure for one LEA.

TABLE 6

UNFILLED TEACHER VACANCIES IN SECONDARY SCHOOLS BY REGION
ENGLAND AND WALES, 1984-1988

REGIONS	VACANCIES, JANUARY					JANUARY 1988	
	1984	1985	1986	1987	1988	<u>All teachers¹ in service</u>	<u>% vacancies/ all teachers</u>
North	58	55	93	71	32	14,106	0.2
Yorkshire & Humberside	147	168	188	307	153	23,127	0.7
North West	275	236	252	219	213	28,396	0.8
E. Midlands	181	239	365	235	146	17,477	0.8
W. Midlands	241	180	249	239	193	22,807	0.8
East Anglia	68	85	92	53	49	7,774	0.6
Gtr London ²	440	386	511	813	660	24,769	2.7
Other SE	324	375	453	412	409	38,713	1.1
South West	95	173	195	159	140	16,901	0.8
ENGLAND ²	1829	1987	2398	2508	1995	194,070	1.0
WALES	118	138	181	69	91	12,855	0.2
ENGLAND ² & WALES	1947	2035	2579	2577	2086	206,925	1.0

¹ Full-time teachers including secondments.

² Includes estimated figures for one LEA.

TABLE 7

NUMBER¹ OF HEADS AND DEPUTIES IN PRIMARY AND SECONDARY SCHOOLS²,
ENGLAND AND WALES, MARCH 1986

SCHOOL GROUP	PRIMARY		SECONDARY		PRIMARY AND SECONDARY	
	HEADS	DEPUTIES	HEADS	DEPUTIES	HEADS	DEPUTIES
1	1611	)	18	)	1629)
2	2691	) 3567	24	) 39	2715	) 3606
3	2297	)	61	)	2358)
4	6475	6501	120	80	6595	6581
5	5340	5107	170	136	5510	5243
6	2818	2584	325	286	3143	2870
7	501	870	282	444	783	1314
8	58	114	327	552	385	666
9	7	4	483	960	490	964
10	-	3	1092	2423	1092	2426
11	-	1	1236	3183	1236	3184
12	-	1	641	1673	641	1674
13	1	-	156	484	157	484
14	-	-	31	81	31	81
TOTAL	21799	18752	4966	10341	26765	29093

¹ The number and distribution of heads and deputies is as at 31 March 1986 (Source: Database of Teacher Records).

² Middle schools are classed as primary or secondary according to how they have been designated by the DES.

TABLE 8

ESTIMATED NUMBERS¹ AND COST² OF INCENTIVE ALLOWANCES, FY 1989-90

RATE	LEVEL OF ALLOWANCE	NUMBERS IN ORDINARY SCHOOLS	NUMBERS IN SPECIAL SCHOOLS	TOTAL NUMBERS	TOTAL COST
	(£)	(000's)	(000's)	(000's)	(£m)
A	801	53.5	0	53.5	49.4
B	1200	54.2	11.5	65.7	90.8
C	2400	14.8	2.1	16.9	46.7
D	3201	26.1	0.3	26.4	97.4
E	4401	8.9	0.1	9.0	45.6
TOTAL					329.9

¹ Numbers are a financial year average of the estimates for the school years 1988-89 and 1989-90. These take the accelerated introduction of the "A" allowances into account.

² The total cost figure includes employers' oncosts.

TABLE 9

POSSIBLE PERCENTAGE LIMITS AS THEY MIGHT LOOK FOR AUGUST 1990

ORDINARY SCHOOLS

GROUP	INCENTIVE ALLOWANCE					OVERALL LIMIT*
	A	B	C	D	E	
1-4	0-20	0-25	0	0	0	30-55
5	10-20	8-25	0	0	0	40-55
6	10-20	8-15	8-15	0	0	50-60
7	10-20	8-15	8-15	0	0	50-60
8	10-15	8-15	8-15	10-15	0	50-60
9	10-15	8-15	8-15	10-15	0-8	50-65
10-14	10-15	8-15	8-15	10-15	4-8	55-65

* Range for total of those to be paid incentive allowances or as head or deputy head teachers.

SPECIAL SCHOOLS

GROUP	INCENTIVE ALLOWANCE		
	C	D	E
3(S)	0	0	0
4(S)	0	0	0
5(S)	10-25	0	0
6(S)	15-25	0	0
7(S)	15-25	0-15	0
8(S)	15-25	5-15	0-15
9(S)	15-25	5-15	5-15
10(S)	15-25	5-15	5-15

TABLE 10

POSSIBLE PERCENTAGE LIMITS AS THEY MIGHT LOOK FOR AUGUST 1989

ORDINARY SCHOOLS

GROUP	INCENTIVE ALLOWANCE					OVERALL LIMIT*
	A	B	C	D	E	
1-4	0-20	0-25	0	0	0	30-55
5	10-20	4-25	0	0	0	40-55
6	10-20	8-20	4-15	0	0	50-60
7	10-20	8-20	4-15	0	0	50-60
8	10-15	8-20	4-15	10-15	0	50-60
9	10-15	8-20	4-15	10-15	0-8	50-65
10-14	10-15	8-20	4-15	10-15	2-8	55-65

* Range for total of those to be paid incentive allowances or as head or deputy head teachers.

SPECIAL SCHOOLS

GROUP	INCENTIVE ALLOWANCE		
	C	D	E
3(S)	0	0	0
4(S)	0	0	0
5(S)	5-25	0	0
6(S)	10-25	0	0
7(S)	10-25	0-15	0
8(S)	10-25	3-15	0-15
9(S)	10-25	3-15	3-15
10(S)	10-25	3-15	3-15

TABLE 11

UNFILLED VACANCIES IN SECONDARY SCHOOLS BY SUBJECT JANUARY 1984-88

ENGLAND AND WALES	1984 ¹	1985	1986	1987	1988 ²	PERCENTAGE VACANCIES ³
Mathematics	313	304	380	317	211	0.9
Computer Studies	-	53	58	68	47	3.9
Chemistry	43	52	66	62	46	0.8
Physics	98	109	150	120	62	0.9
Biology	48	68	72	62	60	0.8
Other Science	102	108	138	118	109	1.4
French	58	86	90	91	72)
German	7	16	18	14	20)
French or German	23	35	40	50	32	) 1.0
Spanish	(	5	7	9	8)
Other languages	(38	33	29	25	32)
English	207	175	250	248	218	0.9
Drama	-	38	29	41	34	2.5
History	57	45	77	76	46	0.5
Social Studies	19	32	52	40	29	0.7
Geography	59	68	104	97	73	0.7
R.E.	45	56	56	76	56	1.0
CDT	182	159	217	181	111	0.9
Commerce/Business	72	62	80	100	73	2.3
Art/Light Craft	64	54	58	64	59	0.6
Home Econ/Needlework	101	104	99	112	101	1.0
Music	78	91	91	104	85	1.6
P.E.	106	129	174	192	140	1.0
Remedial	71	57	99	110	79	1.3
Careers	11	7	11	13	9	1.3
Other main subjects	81	43	49	82	61)
Combined subjects	64	46	85	105	49	) 2.2
TOTAL	1947	2035	2579	2577	1922	1.0
					Head vacancies	54
					Deputy Head vacancies	110
					TOTAL VACANCIES	2086

¹ In 1984 other main subjects include computer studies and drama.

² Separately identified figures for heads and deputies were collected for first time in 1988 possibly resulting in some undercounting in the totals in previous years. But to the extent that they were recorded before 1988 they will have been allocated to a teaching subject, slightly inflating the number of vacancies in individual subjects relative to their 1988 values. The 1988 figures include an estimate for one LEA.

³ Percentage vacancy estimates derived from data on split of secondary teachers in each subject in 1984 Secondary School Staffing Survey.

TABLE 12

HOUSING ASSISTANCE AS A MEANS OF RECRUITING TEACHERS

AUTHORITY	REMOVALS/ RELOCATION ASSISTANCE	MORTGAGE HELP	OTHER
<u>LONDON</u>			
Barking & Dagenham	Pay removal expense	Plan equity sharing	
Barnet	£90 subsistence for 9 months. "Separation allowance". Help with removal costs.		Discount BUPA. Car leasing
Bexley	Relocation help.	3 years subsidy	
Brent	£500 relocation grant		
Bromley		Interest free loan for Heads and senior staff	
Croydon	"Reasonable" removal costs		
Ealing			£1,000 PGCE bursary
Enfield	Consider help on both relocation and removal	Examining equity sharing	
Haringey	100% removal help for approved posts		
Harrow		£100 per month top up for up to 10 posts	
Havering	Relocation help	Examining equity sharing	
Hillingdon	75% of removal costs		
ILEA	£275 relocation for probationers. £1000 on redeployment	"Compact" with Laing Housing	Subsidised travel

AUTHORITY	REMOVALS/RELOCATION ASSISTANCE	MORTGAGE HELP	OTHER
Merton	£100 removal help. £2-3,000 "legal" help	Examine equity sharing	
Newham		1/3rd of rent. £100 per month mortgage subsidy	
Redbridge	Up to £3,850 for removal and relocation		
Sutton	£500 relocation		
<u>HOME COUNTIES</u>			
Beds	£4,000 "incentives" on moving		
Berks	Up to £3,850 relocation and removal allowed including lodging costs		
Bucks	Relocation up to £7,000	Mortgage help	
E. Sussex	Relocation grant		
Essex	Up to £4,000 relocation	3 year mortgage subsidy	
Hants	Up to £3,850 relocation		
Herts	Up to £4,300 relocation	Mortgage subsidy up to £13,000	Car lease
Kent	"Disturbance" allowance	Some temporary housing	
Surrey	All removal costs. "Disturbance" allowance	Some temporary housing. Mortgage subsidy	Season ticket loan

TABLE 13

ESTIMATED NUMBER AND COST OF TEACHERS IN RECEIPT OF LONDON
ALLOWANCE, FY 1989-90

RATE	LEVEL OF ALLOWANCE	NUMBER ¹ OF TEACHERS	COST ²
	(£)	(000's)	(£m)
I INNER	1305	30.5	46
II OUTER	855	24.2	24
III FRINGE	333	20.1	8
TOTAL			<hr/> 78 <hr/>

¹ Source of teacher numbers : Form 618G - January 1988.

² Costs are rounded to the nearest £m and include employers' oncosts.

GUIDELINES FOR RECRUITMENT

Since the TASC team became operational in April 1987, we have established contact with every local education authority in England and Wales and gleaned a picture of the different recruitment problems. Not surprisingly the position varies considerably across the country with perhaps London and the South East having the most acute difficulties. But there are problems in all phases of the educational system and the concern is not confined to those shortage subject areas which are currently recognised by the Department of Education and Science.

Some authorities are in the enviable position of having no reported recruiting problems at present, but that situation will surely change in the 1990s as pupil numbers rise and the competition for the declining pool of qualified young people increases.

It is because of this that TASC recommends that all authorities take a hard look at their recruitment strategies. The following guidelines are offered to assist such a review. Little in these will be new – indeed in many cases it is simply a list of what different local education authorities are currently doing to cope with the problems they are experiencing. Nevertheless, we offer this as it may well be a useful reference point for those authorities looking at their recruitment procedures in the light of future trends.

1 Designation of a Recruitment Officer

It is very important for those making enquiries about teaching to have an obvious first point of contact within an authority. It is surprising how many potential recruits can be unintentionally put off at this point because they are not speaking to the right person. The person concerned should be a senior officer able to advise on recruitment policies, vacancies, training opportunities, financial support and schools. Some skill in counselling and marketing would be helpful. His or her name and telephone number should feature prominently in advertising and recruitment literature. Additionally the main switchboard should know who deals with recruitment queries.

2 Assessment of recruitment needs

It makes sense to undertake a review of recruitment needs and establish something like a five-year rolling programme involving estimates of:

- Pupil numbers – by phase, present and expected; projected increases and decreases within particular geographical areas in the authority.
- Teachers – size and age profile of present force; profile of teacher skills and specialisms;

projected retirement and other wastage rates.

- Schools – possible changes in size, number and distribution.
- New curriculum needs.
- The effects of the Education Bill.

3 Recruitment Policy

The results of the assessment of needs together with consideration of local conditions and past experience will help to point to the focus of a recruitment policy. The following is a list of measures to be considered:

- Identify items from 4 and (below) which may be helpful in the local situation.
- Develop close contacts with teacher training institution and students in training.
- Examine the possibilities of recruiting former teacher living locally.
- Review policies in respect of encouragement offered to women and ethnic minority applicants.
- In conjunction with head teachers and other staff review induction and professional development strategies for teachers. Potential recruits are anxious to know about possible career structures.
- Encourage interest in teaching amongst students in school.

in institutions of further and higher education – by means of teachers, the respective careers services and assistance at careers fairs, exhibitions and presentations.

- Advance the profile of the authority and become available to prospective and potential applicants. Publicise the Recruitment Officer's name and telephone number. Enable potential applicants to visit schools.

4 Financial incentives

These incentives listed have all been used by some authorities. Each authority will wish to consider, in the light of their own circumstances, the relevance to them of each measure:

- Flexible use of starting salaries, (particularly for mature recruits and in urban areas) and incentive allowances.
- Help with finding rented public or private sector accommodation.
- Help with mortgage and other housing costs.
- Offering employment in a local school.
- Subsidised transport costs.
- Re-location allowances.

5 Recruitment initiatives

Further measures used by some authorities to encourage recruitment are:

- Taster courses in schools for potential recruits.
- Offer of part-time employment with flexible hours.
- Consider offering job-sharing on a regular basis.

- Provision of creche facilities offer of nursery or convenient school places for children.
- Re-training courses for conversion into different specialist areas including retraining from secondary to primary and vice versa.
- Up-dating courses for former teachers (possibly linked to employment as a supply teacher initially).
- "Keep in Touch" projects, to help to keep former teachers abreast of developments while not in employment.
- Using best and most enthusiastic teachers in career presentations exhibitions to assist recruitment campaigns.
- Review support services provided for the various areas of the curriculum.

6 Publicity Policy

Promote the image of the authority. The impact of striking brochures and leaflets is considerable. There should be easily accessible information about the local area – amenities, recreation, arts, housing, history and the work of the schools. An indication of the local policies on resources, curriculum and professional support can be helpful. Some authorities have prepared publicity videos using local institutions of higher education. Outlets for local advertising include newspapers, libraries, local radio and street posters. The TASC Regional Officer may be able to help. TASC teacher recruitment literature is available in bulk for LEA use.

FURTHER INFORMATION

Should you wish to discuss any of these points in more detail, please feel free to contact me or one of my regional colleagues.

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A: DISCRETIONS WHICH SHOULD PASS TO THE GOVERNORS OF ALL SCHOOLS WITH DELEGATED BUDGETS

Paragraph references are to the School Teachers' Pay and Conditions Document 1988. Asterisked items are already in the hands of the governors of all aided schools, and this should not be changed.

- 4(2) Discretion to pay higher salary to head teachers.
- 5(2) Discretion to pay higher salary to deputy head teachers.
- 7(2) Discretion to pay an incentive allowance to a teacher in an ordinary school.
- 7(4) Discretion to pay an incentive allowance to a part-time or short notice teacher.
- 7(5) *Requirement for employer to be satisfied that a teacher fulfils at least one criterion for an incentive allowance before such an allowance is paid.
- 9(2) Discretion to pay allowance to unqualified teacher in charge of special class.
- 11 Discretion to pay additional allowance to unqualified teacher.
- 19(1) Discretion to pay allowance to teacher carrying out duties of head or deputy for prolonged period.
- 19(2) Discretion to pay temporary incentive allowance to teacher taking on extra responsibility for prolonged period.
- 23 Discretion on pay for residential duties.
- 27(b) *Discretion of employers to lay down rules, regulations and policies which head teacher must follow in carrying out his professional duties. An exception is staff development where head must follow LEA policies - paragraph 30(8)(b). We think that this should be left with the LEA but that no other exceptions are needed.
- 32(3) Discretion to decide how far deputy head should carry out head's duties in head's absence, where head himself does not decide this.

APPENDIX 1

- 1 The definition of "teaching establishment" refers to the discretion given to the LEA to determine the number of teachers appropriate for staffing the school where this number is not determined under section 34 of the 1986 Act or section 24 of the 1944 Act. The latter two provisions will cease to apply to schools with delegated budgets - see sections 44(2)(a) and 45(2)(b) of the Education Reform Act 1988. The same definition goes on to permit the authority to disregard for one year changes in the teaching establishment as so determined. This definition is relevant to the number of incentive allowances which are to be awarded - see paragraphs 5(1), (2) and (7).
- 3(1) Discretion to decide number of pupils expected to be on register of new school not less than four years from the date of opening. It would be appropriate for the governing body to decide this after consultation with the LEA.
- 3(3)(b) Discretion to count extra units for statemented pupils not in special classes.
- 3(4)(a) Discretion as to timing of calculations of unit total.
- 3(5) Discretion to assign school to a higher group when pupil numbers are expected to rise. It would be appropriate for the governing body to decide this after consultation with the LEA.
- 3(6) Duty to revise assignation of new school as expectations change. It would be appropriate for the governing body to decide this after consultation with the LEA.
- 4(2) Discretion within limits over number of deputy heads.
- 5(1) Discretion within limits over number of teachers paid a particular level of incentive allowance.
- 5(2) Discretion within limits over total number of teachers paid incentive allowances.
- 5(3) Discretion to leave teachers of special classes out of account when counting number of teachers with incentive allowances.

- 5(4) Requirement to have regard to likely change in pupil numbers and ages in deciding how many incentive allowances shall be paid.
- 5(5) Discretion to go outside limits for allowances, except Rate A.
- 5(6) Discretion to pay allowance at a rate not normally available in the school in specified circumstances.
- 5(8) Discretion to overstep limits for allowances to maintain staffing arrangements at the school at 30 September 1987. This is a transitional measure but will continue to be needed at least until the phasing in of allowances is completed in September 1990.
- 5(9) Discretion to award Rate A allowances up to the maximum for the school even if this exceeds the overall limit.

APPENDIX II

- 1(2) Discretion to appoint a qualified teacher aged 23 or over higher up the main scale.
- 1(4) Discretion to pay extra increments to qualified teacher taking up post in urban area.
- 2 Discretion on entry point for unqualified teachers.
- 3 Discretion on starting point for teacher who becomes qualified while in service.
- 4(5) Discretion to withhold increment for unsatisfactory service.

B: DISCRETIONS WHICH SHOULD REMAIN WITH THE LEA

Paragraph references are to the School Teachers' Pay and Conditions Document 1988. Asterisked items are already in the hands of the governors of all aided schools, and this should not be changed.

Special Schools

Paragraph 7(3)(b); also paragraphs 6-8 of Appendix I. The Education Reform Act provides for delegation to maintained special schools under approved schemes of local management only if the Secretary of State makes regulations authorising or requiring it (section 43). Such regulations would include appropriate amendments to the provisions on staffing: maintained special schools are not covered by the staffing provisions in section 44 and schedule 3 and there is no presumption that they would be so covered without amendment. It would therefore be premature to address the provisions in the Document relating specifically to special schools.

Safeguarding

Paragraph 21; also paragraphs 17(1), 18(4), Appendix I paragraph 4(1). The salary of a teacher who loses his job as a result of closure or reorganisation and moves to another job where his salary is paid by the same LEA is safeguarded. A teacher who loses his job or gets a reduced salary entitlement for any other reason may have his salary safeguarded with the consent of the LEA. Safeguarding may be continued when a teacher moves from one LEA to another. Safeguarding ceases if a teacher unreasonably refuses a new post. Social priority allowance is safeguarded when a teacher moves to a new post at the LEA's instigation (17(1)). London allowance may be safeguarded when a teacher moves within an LEA's service (18(4)).

The discretionary elements of safeguarding should be regarded as part of an LEA's management of the teacher force and left with the LEA. Paragraph 85(a) of Circular 7/88 notes that LEAs may wish to except some safeguarding costs from delegation. Governing bodies will not have to accept any particular teacher in a school, and may therefore tell the LEA that they will accept a teacher whose salary is safeguarded only if the cost is met outside their delegated budget.

There is a strong case for reviewing the operation of safeguarding after a few years of local management of schools.

Unattached teachers

Paragraph 20; also paragraphs 33(2), 34(2), 36(1)(b). The LEA as employer determines the salary of "unattached" (eg peripatetic) teachers, and also has overall control of their work, though they are subject to the direction of the head teacher of any school in which they may be working. This should continue.

Part-time and short notice teachers

Paragraph 22. LEA determines what proportion of the school week a regular part-timer works for salary calculation purposes (22(1)). This should be left with the LEA in the interests of consistency between neighbouring schools.

*Days of Work

Paragraph 36(1)(a). Employer specifies the 195 days for which a teacher shall be available for work; or if employer so directs, head teacher specifies them. Under section 21 of the 1986 Act, which will be substituted by section 115 of the ERA when that comes into force, the LEA sets the dates of school terms at county and controlled schools; whereas the governors do so at aided schools. It seems logical that the LEA should also set the dates of teachers' work at county and controlled schools; and this is reinforced by the LEA's continuing responsibility for in-service training, for which some of the 5 days outside the pupil year of 190 days may well be used. It would however be reasonable that the LEA should have to consult the governors of schools with delegated budgets before specifying the 195 days.

Salary and degree equivalence

Appendix II, paragraphs 1(3)(c) and 1(7). The LEA are to determine the equivalent point on the main scale for a teacher last employed before 1974. They are also to determine whether they regard qualifications as equivalent to a degree or a good honours degree. These are technical matters which it would be inappropriate to pass to governors.

C: RESPONSIBILITY WHICH SHOULD PASS TO THE GOVERNORS OF SOME SCHOOLS WITH DELEGATED BUDGETS

Paragraph reference is to the School Teachers' Pay and Conditions Document 1988.

- 35(9) In certain circumstances a teacher is only required to provide cover if it is not "reasonably practicable" for the maintaining authority to provide a supply teacher for this purpose. Paragraph 85(b) of DES Circular 7/88 points out that there may be several approaches to cover in schemes of local management. Cover may be organised centrally by the LEA. But it may be delegated wholly to schools. Where the LEA organises cover it would be reasonable for the references in paragraph 35(9) to continue to be to the maintaining authority. But where the obtaining of supply cover has been delegated to schools the references should be to the governing body.

M.P.



FROM: MISS M P WALLACE
DATE: 17 October 1988

MR DE BERKER

cc Chief Secretary
Paymaster General
Sir P Middleton
Dame Anne Mueller
Mr Anson
Mr Phillips
Mr C W Kelly
Mrs Case
Mr Farthing
Mr Potter
Mr S Kelly
Ms Seammen
Mr Cropper

EVIDENCE FROM THE DEPARTMENT OF EDUCATION AND SCIENCE TO THE IAC

The Chancellor was grateful for your minute of 14 October. He is content for you to clear the evidence at official level, provided that DES have made no other significant changes in the meantime.

M.P.W.

MISS M P WALLACE