

SECRET

CONFIDENTIAL FILING

Teachers Pay

EDUCATION

PT1: May 1979

PT8: October 1986

In attached folder: The Main Report.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
14.10.86							
20.10.86							
22.10.86							
24/10/86							
28.10.86							
29.10.86							
30.10.86							
31.10.86							
3.11.86							
31.10.86							
\ / PT8 ENOS / \							
PREM 19/1732							

PART 8 ends:-

DN to NLW 31/10/86

PART 9 begins:-

B1 to NLW 3/11/86

Published Papers

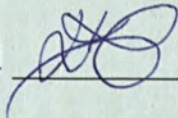
The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

Cmnd. 9893 – Committee of Inquiry. Report into the pay and conditions of service of school teachers in Scotland.

Presented to Parliament by the Secretary of State for Scotland by Command of Her Majesty, October 1986

Published by HMSO. ISBN 0-10-198930

Signed



Date

19/09/2014

PREM Records Team

MR. WICKS

Thank you for showing me Robert Armstrong's minute of 31 October. The complaints set out in it are without foundation.

There was some confusion about the line to be taken by the Press Office on Tuesday 28 October. After I had briefed Mr. Coe about the line to be taken at the Lobby that day I received alarmed telephone calls from both Rob Smith and Shirley Trundle at DES about the story they had heard from the No.10 Press Office which the No.10 Press Office were intending to use in the Lobby. I cannot now remember the points which concerned them. But I do remember clearly the line which I repeated twice to Mr. Coe, on two separate occasions after the calls from DES, and which I also told Rob Smith and Robert Gordon I was authorising. This was:

- (i) Ministers were considering the Main report and its implications for England and Wales;
- (ii) no final decisions had been taken;
- (iii) but Ministers hoped to be in a position to make an announcement before too long.

This line was given to Mr. Coe, and firmly stated both to him and to Rob Smith and Robert Gordon early on Tuesday morning and certainly before 11 am.

I further agreed with Mr. Coe that the reports that the Government was considering legislation could not be dismissed as speculation: to do would have been a lie. I agreed with his proposed line that legislation had always been an option.

It would not have crossed my mind to advise the use of the line set out in paragraph 3 of Robert Armstrong's minute. To use a figure of £2½ billion could have given unnecessary alarm

to the markets (I already knew that we were likely to concentrate on the annual figures rather than on amounts summed over four years) and to say that the Government was considering a new Education Act would have run contrary to the outcome of a meeting only the previous day. I was also of course aware of the Prime Minister's dismay at the detail which had appeared in the morning's press: you will remember that this was discussed at the 9 am meeting with her to prepare for Questions.

DW

DAVID NORGROVE
31 October 1986

EL3BMT



F.

Ref. A086/3090

MR WICKS

I promised to put on record the gist of the story that had reached me about the press handling of teachers' pay earlier this week. The story as given to me is as follows. I emphasise that this is simply the tale as told to me by my particular contacts.

2. On the morning of Monday 27 October MISC 122 agreed a provisional line. It was agreed at that meeting that there should be no public reference to possible legislation, or to a fallback, if the Nottingham meeting failed to accept the Government's proposals, until after the Nottingham meeting. At the Lobby at 4.00 pm that afternoon Bernard Ingham briefed impeccably on that line.

3. On the morning of Tuesday 28 October the Daily Telegraph had a piece which indicated that room might be made in this year's legislative programme for an Education Bill, and that DTI Ministers had been warned that one of their Bills would have to be dropped. The reactions of Ministers to this proposal were reported. Jim Coe at No 10 rang up Terry Perks at the Department of Education and Science to ask about the story. Coe said that he had been briefed by the No 10 Private Office to advise the No 10 Press Office to brief to the effect that Ministers were close to agreement on a package which would cost £2½ billion over four years. If asked about the possibility of an Education Bill, the No 10 Press Office could say that the Government was considering a new Education Act and an announcement would be made shortly. Mr Perks reported this briefing line to his Secretary of State, who was able to speak to Bernard Ingham before the 11.00 am Lobby and tell him not to say anything about the possibility of legislation.



4. Somebody (I think it was Bernard Ingham) had lunch with Elinor Goodman and two other journalists (from The Times and the Telegraph). The Times and the Telegraph correspondents did not ask about teachers' pay, but Elinor Goodman kept returning to the subject. The deduction from that was that Elinor Goodman was fishing for information but the other two did not need to do so, because they already had it.

5. At 5.00 pm on the evening of 28 October Elinor Goodman rang up the Special Adviser to the Secretary of State for Education and Science. She said that she was puzzled by the briefing that she was getting from the Department of Education and Science, because throughout the day No 10 had been continuing to brief to the effect that legislation was being contemplated.

6. Those who gave me this account of what they had pieced together feel that there are two causes for complaint in all this:

1. "No 10" was briefing the press with a line which was different from that of the DES and not in accordance with the line agreed by MISC 122 on the subject of legislation. I should emphasise that it is not thought that Bernard Ingham was the source of this briefing.

2. The No 10 Private Office gave the No 10 Press Office advice on a line for press briefing which was inconsistent with the line agreed by Ministers (and followed by Bernard Ingham); my informants clearly did not believe that it had been authorised by the Prime Minister.

RA

ROBERT ARMSTRONG

31 October 1986



DEPARTMENT OF
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NEWS

188/86

18 JULY 1986

TEACHERS' PAY: NEW
SYSTEM NEEDED

- Kenneth Baker at CLEA Conference

Education Secretary Kenneth Baker today told the local education authorities that there were strong grounds for changing the teachers' pay negotiating machinery.

He said that the Burnham machinery had few friends these days. No one could pretend that it had been working well. But before any changes were made the Government must be sure that new arrangements would work better.

Speaking at the Council of Local Education Authorities' Conference in Coventry Mr Baker spelt out what the Government would be looking for before deciding to legislate for change.

Mr Baker said:

- The Government must be confident that the new ones will produce settlements on pay and other conditions of service which take into account what the country and the national economy can afford without disruption of the schools.
- The settlements must take account of the need to staff the schools in competition with other employers.
- They must support the effective management of the service and provide for the proper career-long development of individual teachers.
- We must have good reason to expect settlements that promote the professionalism of all teachers.
- The Government will want to be satisfied that all this can reasonably be expected to be achievable across further education as well as the schools.

"As Mr Justice Scott recently put it, 'school teachers are members of a profession.....school teachers have professional obligations towards the pupils in their schools. Their contractual duties must include at least the duty to discharge those obligations.'"

Mr Baker said that the very existence of the present ACAS-led discussions showed that it was not possible to resolve the problems within the Burnham Committee. And in the further education field much of the work had been taken outside the formal Burnham Committee.

Mr Baker accepted there was substance in suggestions that the Burnham Committees:

- were too large
- were subject to too many rules
- only had statutory responsibilities for pay and not for the other conditions of service.

"But it does not follow that the establishment of voluntary arrangements, covering pay and other conditions of service, involving fewer people in the direct negotiating process, and according more flexibility in operation would work much better," said Mr Baker.

"The problem it seems to me lies, not so much in the points I have mentioned, as in the difficulty of reconciling the diverse interests and views of the local authorities and the teachers, and of finding outcomes which are consistent with the financing arrangements for local authorities.

"If I am right, then simple repeal of the Remuneration of Teachers Act is not likely to produce a better result," said Mr Baker.

HEADS PRAISED FOR PROFESSIONALISM

Paying tribute to head teachers Mr Baker said the way in which they had managed in a difficult period befitted the highest standards of their profession.

"They have made a great contribution over the last year to keeping the whole show on the road.

"The head teacher is the leader of the school, the keystone of the arch; and the strong influence of the head on the quality of the whole school is beyond dispute.

"We should therefore seek to support the professionalism of head teachers and ensure that they are encouraged to exercise to the full their capacity for leadership. I shall certainly seek to do so.

"But however good head teachers are, professionally and as managers, they should be accountable to a mainly lay body which reflects the community served by the school. The affairs of schools are too important to be left to any single person even at the level of the schools," said Mr Baker.

Tuesday, 21 October 1986

Daily Mail

Fury over 'shameful' new strike plan by the teachers²

A PLAN by 120,000 teachers to bring chaos to secondary schools was totally condemned last night.

In a move that has angered other unions and infuriated the employers, the teachers' second largest union, the National Association of Schoolmasters/Union of Women Teachers, has ordered members to start a series of half-day strikes from November 3.

"Of course we have regrets, but there is no alternative."

By FRANK THOMPSON

said Mr Bob Pattinson, one of the union's assistant secretaries.

But Education Secretary Kenneth Baker condemned the action as 'shameful, disgraceful and thoroughly deplorable'. He said: 'It is an act of high irresponsibility for professional people to inflict suffering on children in this way.'

And John Pearman, leader of the employers' side of the

teachers' pay negotiating body and Labour leader of Wakefield District Council in West Yorkshire, described the disruption as 'spiteful and selfish'.

Hundreds of thousands of children—mostly in secondary schools—will have their education disrupted by the strikes, timed to put pressure on the employers when final negotiations on a salary deal take place with all six teacher unions in Nottingham on November 8 and 9.

While pupils are sent home, NAS/UWT union members will attend regional rallies

deploring the draft agreement which offers an 11 per cent rise this year.

Mr Pattinson said his union hoped for maximum impact. Firm support would be forthcoming from the biggest teachers union, the NUT he predicted.

But NUT deputy general secretary Douglas McAvooy said: 'The most productive course is for teachers' unions to build on the existing agreement.'

FINANCIAL TIMES

Teachers' union plans to jump the gun

LIKE THE proverbial bad penny, the teachers' pay dispute turned up again yesterday and raised the prospect of disruption in Britain's schools for a third successive winter.

Less than three months after signing of the "historic" Coventry agreement on an outline pay and conditions package for teachers in England and Wales, the National Association of Schoolmasters/Union of Women Teachers (the second biggest teaching union) announced it was sending its members back to the front.

The NAS/UWT was the only one of the six main teaching unions not to sign the Coventry deal, which remains only in framework form and unendorsed by the Government. In this sense, its action in calling half-day strikes in the first week of November can be regarded as at least consistent.

However, what has angered employers' leaders and fellow unions alike is the decision to hold the strikes in the days before planned negotiations in Nottingham, aimed at concluding a detailed version of the Coventry agreement.

Mr John Pearman, the employers' chief negotiator who appended the "historic" tag in the heady aftermath of the Coventry deal, was yesterday beside himself with rage.

David Brindle looks at the threat of renewed disruption in schools

"Callous" and "immoral" were two of the choice epithets he flung in the NAS/UWT's direction while striving to keep the deal on the Nottingham road.

"Had the talks broken down, then it would be legitimate for trade unions to respond accordingly," Mr Pearman said. "As it is, far from having broken down, the talks are at a very delicate stage."

Publicly, the NAS/UWT's logic appears to be this: since Coventry, all the unions have to some degree expressed reservations about the deal—particularly about the pay prospects for more senior teachers. Whereas the deal would produce an overall 14 per cent salary rise in 1986-87 and enable all teachers to earn up to £14,500 a year, those on the present scale 3 and above would fare relatively poorly.

In the circumstances, says the NAS-UWT, the whole package should be put back in the melting pot at Nottingham and, if necessary, at further talks, in the interests of securing a concrete long-term agreement.

Privately, though, the union's

leadership doubts that this strategy is unlikely to succeed without the support of the National Union of Teachers. Whereas it was the NAS/UWT which forced an end to last winter's disruptive action against the NUT's wish to continue, the NUT finds itself on this occasion in the unaccustomed role of backing the Coventry deal.

If the NUT maintains its stance—and its leaders have admitted that members have shown little stomach for resume strikes—then it can still deal enough of the smaller unions along with it to turn the Coventry agreement into a Nottingham one.

However, the stakes are very high. The recommendations of the Main committee on Scottish teachers' pay (the inquiry report earlier this month proposed average pay rises of 16.4 per cent over 18 months) are fizzing away in the Government's backyard. Mr Malcolm Rifkind, Scottish Secretary, may be required to handle this particular firework as early as Question Time in the Commons tomorrow.

In the meantime, an ad-hoc Cabinet committee chaired by the Prime Minister is said to have been discussing paying Main-based increases not only to Scottish teachers but also—to cut through the seemingly interminable employer-union negotiations—to their colleagues in England and Wales.

This threat of government intervention moved Mr Pearman yesterday to press for an early meeting with Mr Kenneth Baker, Education Secretary, to urge him to take no steps before the Nottingham talks start on November 8. The signs were that the Government would do nothing at least until Mr Pearman makes his case to the minister.

Indeed, there are strong grounds for the Government to await developments at Nottingham—according to NAS-UWT leaders' private calculations, for example, the terms of the Coventry deal are as they stand roughly only half the cost of the Main committee's recommendations, on a proportionate basis.

However, the NAS-UWT move to resume strikes makes political intervention opportune. With children once again being sent home from lessons, an announcement of legislation on teachers' pay might be well-received in many homes.

A silly step too far by teachers

Even with — big even — the best will in the world, it is hard to see the point of the National Association of Schoolmasters/Union of Women Teachers' call for half-day strikes in schools south of the border from November 3. The NAS/UWT's 129,000 members work predominantly in secondary schools and the strikes will inevitably mean that children are sent home and that parents will have to rearrange their working lives to look after them. Twelve months ago, such a prospect would have been just as inconvenient as it is today. But with one big difference. Teachers then were undervalued and underpaid while the Government, in the shape of the doctrinaire Sir Keith Joseph was determined not to concede to them. Teachers' industrial action, especially in the form it took, was nasty, of course. Yet the teachers had an undeniable case to be taken more seriously and to be better paid. It took an industrial campaign to get that into the heads of Conservative leaders and MPs who themselves had no direct experience of the state school system until their voters started squealing.

But that stage has now been passed. The unhappy but necessary campaign has done its work. The teachers have won. Sir Keith has gone, replaced by the pragmatic Mr Kenneth Baker. Education is the Government's new preoccupation. The log jams are being unrolled. Teachers got more money this year and, one way or another, they are going to get a great deal more next time. It may come through the so-called Coventry agreement between the Labour-dominated local authorities and the other teaching unions. Or, an increasingly tempting prospect for Cabinet ministers as they meet tomorrow to discuss teachers' pay, it may come through a direct award from the centre (though that would require legislation). Either way, we are talking well into double figure percentage increases (on top of this year's 8.5 per cent, remember). Meanwhile, Scottish teachers are poised, perhaps even this week, to reap their full 16.4 per cent Main committee recommendation. That doesn't mean everything is now ticket-boo on teachers' pay. Mr Baker in

England and Wales ... Mr Malcolm Rifkind in Scotland have some difficult negotiations ahead. But things have changed.

The NAS/UWT seems determined to ignore this change in the politics of education. They appear more concerned with pursuing their traditional rivalry with the National Union of Teachers to see which can be the more militant than with effective public service trade unionism. This is both wrong and foolish. There is no longer the moral basis, let alone the grudging public support, for the kind of action they now contemplate. If there is to be industrial action in the schools, then there should be a breakdown of negotiations first, followed by a proper strike ballot of union members. In the present case, though, there has been neither. It is difficult to avoid the conclusion that the NAS/UWT leadership has become irresponsibly strike-happy in its time capsule. In so doing, they do all teachers a disservice. They do not deserve public support this time.

Daily Telegraph

Lessons to learn

THE JOY THAT greeted the "historic" interim deal between the teachers and their employers at Coventry last summer always looked dangerously premature. The NAS/UWT's decision to take further strike action for a higher pay award proves the point. Yet there is no reason to despair. Mr Kenneth Baker is a good strategist and can easily turn this irritant to the Government's advantage. He is greatly helped by Mr John Pearman, the socialist councillor who leads the employers' negotiating team. The NAS/UWT's action was, said Mr Pearman, "quite the most selfish and spiteful act that I have seen any trade union perpetrate in my experience in local government." But calmness all round is what is called for until the teachers and the employers meet in Nottingham next month to ratify the deal.

The NAS/UWT has been assiduously collecting members at the expense of the NUT throughout the long drawn-out dispute. It has more members in secondary schools than the NUT. The theoretical maximum salaries (£14,500) specified by the Coventry deal may be enough for the predominantly primary-school NUT, but they will not do for the NAS/UWT. Having attracted so many new members, a show of political virility and initiative seemed appropriate for the leaders of this growing union. This is the destructive way in which they have chosen to represent it.

The NAS/UWT is isolated. The other unions can probably muster the majority needed to ratify the interim deal and give lasting stability. The teachers in England and Wales would have a 14 per cent pay increase. The employers could enforce a tighter contract, and appraisal would evolve. Mr Baker should keep his distance. If the NAS/UWT persists in its dispute it will incur the hostility of all its fellow unions. It could also write off the support of parents, which hitherto helped the teachers to so favourable a settlement. The union does not intend to ballot its members on its proposed strike action. That, if the worst comes to the worst, will enable the employers to take the union to court under the 1984 Trade Union Act. With such comparative unity in the cause of ending classroom strife it would be sad if the ultimate peace were forced by the courts. But if it is a question of that or further disruption, the choice must be made in the best interests of our children.

Tuesday, 21 October 1986

THE GUARDIAN

Teachers to stage week
of half-day pay strikesBy Sarah Boseley,
Education Correspondent

Schools will be hit again in the new term as the second largest teachers' union, the National Association of Schoolmasters / Union of Women Teachers, yesterday instructed

Education Guardian, pages 13-24

its 129,000 members to go on half-day strikes in the week beginning November 3.

The local authorities employers said it was inevitable that children would be sent home from school. The strike call came as the Government is moving towards direct intervention to settle the dispute. The strikes are intended to

make the NAS/UWT's opposition felt in the week running up to negotiations in Nottingham on November 8, which the employers intended should set the final seal on a long-term deal with the teachers.

The strikes will be coordinated locally to coincide with rallies around the country beginning in London on the Monday and ending in Birmingham on the Friday.

The renewed disruption will spark calls for the Government to intervene, as it is understood to be poised to do. Mr Kenneth Baker, the Education Secretary, is set to make a statement on teachers' pay when the Commons resumes.

Mr Baker is thought to be Turn to back page, col. 6

ready to offer English and Welsh teachers the 18.4 per cent increase over the next 18 months recommended by the Independent Main Inquiry for Scottish teachers.

He would have to commit himself to replacing the statutory Burnham pay negotiating committee, composed of local authority and teacher unions. The decision could lead to nationwide industrial action.

Mr Peter Dawson, general secretary of the Professional Association of Teachers, which has a no-strike clause in its constitution, yesterday wrote to Mr Baker urging him to intervene.

The NAS/UWT refused to sign the Coventry provisional pay deal agreed by the local authorities with all other unions in July. Now it says that the document has been effectively re-opened for negotiation by the other unions which want improvements in line with the Main report.

Mr Nigel de Gruchy, deputy general secretary of the NAS/UWT, said: "It is not prolonged industrial action but we want to use it to show management that Coventry will not provide a long-term solution."

● Pay talks involving 180,000 college lecturers collapsed yesterday and the lecturers' union, NATFHE, has arranged an emergency executive meeting for Thursday

Morning Star

Teachers
plan local
stoppages

THE National Association of Schoolmasters/Union of Women Teachers, yesterday ordered its 129,000 members to take local half-day strike action in the week beginning November 3.

The action, by the second largest teachers' union, is timed to pressurise the local authority employers into improving a provisional salary deal when final negotiations take place with all six teacher unions over the weekend of November 8-9 in Nottingham.

The strikes will coincide with UWT leaders will voice their opposition to the draft Coventry agreement, which involves an 11 per cent rise this year and an increase from £11,000 to £14,500 in the maximum for most classroom teachers.

THE TIMES

Baker pressed on
teachers' pay deal

By Mark Dowd, Education Reporter

The Government came under renewed pressure last night to intervene in the wrangle over teachers' pay, after the second largest union instructed its members to begin nationwide industrial action in two weeks time.

The National Association of Schoolmasters/Union of Women Teachers announced plans to launch a series of half-day strikes from November 3.

Mr Nigel de Gruchy, the deputy general secretary, said that the move was designed to force a change of mind among local authority employers before the critical meeting on pay and conditions in Nottingham on November 8.

The NAS/UWT, which has 129,000 members, was the only union not to sign the Coventry deal on pay and conditions negotiated last July.

Its principal objection is that the £14,500 figure at the top of the Main Professional Grade is inadequate, and although the deal offers an increase of 11 per cent for this year, Mr De Gruchy emphasized yesterday that teachers' pay was still 34 per cent below levels recommended in the Houghton Report of 1974.

The smaller teacher unions are afraid that the hope which flowed from Coventry will be buried in inter-union rivalry

between the NAS/UWT and National Union of Teachers.

There was a feeling among the other unions yesterday that one motive for the strike move was to sow dissent about Coventry among dissatisfied members of the National Union of Teachers, thus undermining the working relationship it has with the Labour-led employers.

The situation is so serious that the Professional Association of Teachers, the only union with a no-strike agreement, has written to the Secretary of State, urging him to intervene. Mr Peter Dawson, the general secretary, said it had become clear that none of the unions would be going to Nottingham with any hope of concluding a final deal.

Although Mr Kenneth Baker has played a low-key role so far, he is under pressure to inject new life into the fragile pay and conditions talks.

Mr John Pearman, leader of the local authority employers, yesterday described the strike move as "the worst example of political posturing". Condemning the NAS/UWT move as immoral, he said it was unbelievable that the union should engage in cheap propaganda regardless of the interests of the education service.

MIRROR

TEACHERS PLAN
" 1/2-DAY STRIKES

SCHOOLS are to be hit by half-day strikes as teachers launch a new battle over pay.

The strikes will be staged by members of the second largest teachers' union—the National Association of Schoolmasters and Union of Women Teachers—during the week beginning on November 3.

The action is timed to put pressure on local authority employers to improve a proposed pay deal when negotiations with all six teacher unions start at the end of that week.

The draft deal involves an 11 per cent rise this year and an increase in the maximum for classroom teachers from £11,000 to £14,500.

John Pearman, chairman of the employers' side, yesterday condemned the half-day strikes as "immoral."

But NAS-UWT general secretary Fred Smithies warned that a breakdown of talks would lead to "serious industrial action".

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Tuesday, 21 October 1986

Daily Telegraph

Half-day pay strikes called by teachers

By David Walker, Education Correspondent

THE SECOND largest teachers' union yesterday called half-day strikes by its 128,000 members in local authority schools in England and Wales during the week beginning Nov. 3, ending the lull in the teachers' pay dispute that has lasted since July.

The call, by the National Association of Schoolmasters/Union of Women Teachers, jeopardises the provincial agreement made in July between the other teacher unions and the local authorities.

Mr Baker, Education Secretary, last night called the strike call "shameful and disgraceful," adding: "It is an act of high irresponsibility for professional people to inflict suffering on children in this way."

Political pressure is likely on Mr Baker to intervene. The strikes will coincide with a series of union rallies during the week Nov. 3-7. These are: Nov. 3, London, Hull, Winchester; Nov. 4, Sunderland, Norwich, Cardiff, Manchester, Nottingham, Oxford, Reading, Dunstable, Bradford; Nov. 5, Liverpool, Brighton, Llandudno; Nov. 6, Basildon, Middlesbrough, Preston, Bristol, Leeds, Stoke; Nov. 7, Sheffield, Northampton, Birmingham, Keswick.

34 p.c. rises sought

Further action will be taken if, in the words of a union official, the local authorities do not tear up the provisional agreement and negotiate a new deal that offers teachers rises of 34 per cent rather than the 10 to 11 per cent now being talked about.

In July the local authorities agreed a preliminary deal with the main teachers' union, the National Union of Teachers. Further discussion on a package of pay and conditions is to take place in Nottingham on November 8.

Lecturers to meet

Following the weekend collapse of pay talks involving 180,000 college lecturers, their union has arranged an emergency executive meeting for Thursday at which calls for disruptive sanctions are expected to be made.

TODAY

School pay battle to hit pupils,

TEACHERS in England and Wales are set to take disruptive action as pay talks reach a critical stage. The second largest union yesterday ordered its 128,000 members to stage local half-day strikes in the week beginning on November 3.

The aim is to pressurise the employers into improving a provisional salary deal before talks with all six teacher unions on November 8 and 9.

The threat of a third winter of school disruption comes after teachers ended 15 months of action last May.

The strikes by the National Association of Schoolmasters and Union of Women Teachers will coincide with rallies opposing the draft agreement reached in July.

This proposes an 11 per cent rise this year, increasing the maximum for most teachers from £11,000 to £14,500.

The union will wait until after the negotiations before deciding on further strikes.

Mr John Pearman, chairman of the local authority employers, said the action would cause fresh hardship at a time when there was a chance of a significant advance.

Education Secretary Kenneth Baker's plans for a big rise for teachers has caused a cabinet split with ministers worried that other budgets could be squeezed. The row is holding up decisions on next year's government spending.

STAR

Teachers to strike 17

INDUSTRIAL action by teachers is set to return to schools in England and Wales as pay negotiations reach a critical stage.

The second largest teachers' union, the National Association of Schoolmasters/Union of Women Teachers, yesterday ordered its 128,000 members to take local half-day strike action beginning on November 3.

It is timed to pressurise the local authority employers into improving a provisional salary deal when supposedly final negotiations take place with all six unions on the following weekend.

The strikes will coincide with regional rallies at which NAS/UWT leaders will voice their opposition to the draft agreement, which involves an 11 per cent rise this year.

FINANCIAL TIMES

Teachers to strike over pay,

BY DAVID BRINDLE, LABOUR CORRESPONDENT

SCHOLS in England and Wales face renewed disruption over teachers' pay as the National Association of Schoolmasters/Union of Women Teachers yesterday instructed its 128,000 members to stage half-day strikes in the week beginning November 3.

The NAS/UWT, the dominant union in secondary schools, is seeking fundamental improvements in the outline agreement reached in negotiations in Coventry in July, on a new employment contract and salary structure.

The half-day strikes on different days in different areas are due to take place in the week before further negotiations in Nottingham, intended to put flesh on the bones of the Coventry agreement. They will culminate in a demonstration in Nottingham as the talks open.

Mr John Pearman, the local authority employers' chief negotiator, said yesterday: "I think it is quite the most selfish and spiteful act that I have seen any trade union perpetrate in my

experience in local government."

The greatest cause of concern to the employers is the timing of the union's announcement. They fear the Government may be poised to by-pass the negotiations and impose a pay settlement on teachers in England and Wales at the same time as it decides on pay in Scotland.

Such action would probably require special legislation to circumvent the statutory Burnham Committee but a Cabinet committee chaired by Mrs Thatcher is said to be considering all options in tandem with the Main Committee's recommendation of an average 16.4 per cent increase over 18 months for Scottish teachers.

The Professional Association of Teachers, a no-strike union claiming 42,000 members, last night called on the Government to intervene. It said: "The likelihood of progress to secure either an acceptable salary award or peace in schools through the current exchanges no longer exists."

The NAS/UWT, which refused to sign the Coventry

agreement, wants the £14,500 figure specified in the agreement as the maximum achievable basic salary for classroom teachers to be increased to £18,000.

Mr Fred Smithies, general secretary, said: "I really would rather see us come to a final conclusion on this matter than settle for some blatantly fudged settlement which simply defers the problem from, say, 1986-87 to the winter of 1987-88."

The union does not plan a pre-strike ballot in line with its policy of instructing members to take industrial action. This leaves it open to challenge under the Trade Union Act 1984.

Meanwhile, parallel pay restructuring negotiations for 180,000 college lecturers have become deadlocked following the failure of weekend talks in Nottingham. The lecturers' union accused employers of insisting on an increase in the teaching week which could make surplus 11,500 posts.

Teachers may jump the gun, Page 12

1/2

Tuesday, 21 October 1986

Daily Mail

Fury over 'shameful' new strike plan by the teachers^{2H}

A PLAN by 120,000 teachers to bring chaos to secondary schools was totally condemned last night.

In a move that has angered other unions and infuriated the employers, the teachers' second largest union, the National Association of Schoolmasters/Union of Women Teachers, has ordered members to start a series of half-day strikes from November 3.

"Of course we have regrets, but there is no alternative,"

By FRANK THOMPSON

said Mr Bob Pattinson, one of the union's assistant secretaries.

But Education Secretary Kenneth Baker condemned the action as 'shameful, disgraceful and thoroughly deplorable'. He said: "It is an act of high irresponsibility for professional people to inflict suffering on children in this way."

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FINANCIAL TIMES

Teachers' union plans to jump the gun 12

LIKE THE proverbial bad penny, the teachers' pay dispute turned up again yesterday and raised the prospect of disruption in Britain's schools for a third successive winter.

Less than three months after signing of the "historic" Coventry agreement on an outline pay and conditions package for teachers in England and Wales, the National Association of Schoolmasters/Union of Women Teachers (the second biggest teaching union) announced it was sending its members back to the front.

The NAS/UWT was the only one of the six main teaching unions not to sign the Coventry deal, which remains only in framework form and unendorsed by the Government. In this sense, its action in calling half-day strikes in the first week of November can be regarded as at least consistent.

However, what has angered employers' leaders and fellow unions alike is the decision to hold the strikes in the days before planned negotiations in Nottingham, aimed at concluding a detailed version of the Coventry agreement.

Mr John Pearman, the employers' chief negotiator who appended the "historic" tag in the heady aftermath of the Coventry deal, was yesterday beside himself with rage.

David Brindle looks at the threat of renewed disruption in schools

"Callous" and "insolent" were two of the choicest epithets he hung in the NAS/UWT's direction while striving to keep the deal on the Nottingham road.

"I had the talks broken down, then it would be legitimate for trade unions to respond accordingly," Mr Pearman said. "As it is, far from having broken down, the talks are at a very delicate stage."

Publicly, the NAS/UWT's logic appears to be this: since Coventry, all the unions have to some degree expressed reservations about the deal—particularly about the pay prospects for more senior teachers. Whereas the deal would produce an overall 14 per cent salary rise in 1986-87 and enable all teachers to earn up to £14,500 a year, those on the present scale 3 and above would fare relatively poorly.

In the circumstances, says the NAS-UWT, the whole package should be put back in the melting pot at Nottingham and, if necessary, at further talks, in the interests of securing a concrete long-term agreement.

Privately, though, the union's

leadership thinks that this strategy is unlikely to succeed without the support of the National Union of Teachers. Whereas it was the NAS/UWT which forced an end to last winter's disruptive action against the NUT's wish to continue, the NUT finds itself on this occasion in the unaccustomed role of backing the Coventry deal.

If the NUT maintains its stance—and its leaders have admitted that members have shown little stomach for resume strikes—then it can still deal enough of the smaller unions along with it to turn the Coventry agreement into a Nottingham one.

However, the stakes are very high. The recommendations of the Main committee on Scottish teachers' pay (the inquiry report earlier this month proposed average pay rises of 16.4 per cent over 18 months) are flinging away in the Government's backyard. Mr Malcolm Rifkind, Scottish Secretary, may be required to handle this particular firework as early as Question Time in the Commons tomorrow.

In the meantime, an ad-hoc Cabinet committee chaired by the Prime Minister is said to have been discussing paying Main-based increases not only to Scottish teachers but also—to cut through the seemingly interminable employer-union negotiations—to their colleagues in England and Wales.

This threat of government intervention moved Mr Pearman yesterday to press for an early meeting with Mr Kenneth Baker, Education Secretary, to urge him to take no steps before the Nottingham talks start on November 8. The signs were that the Government would do nothing at least until Mr Pearman makes his case to the minister.

Indeed, there are strong grounds for the Government to await developments at Nottingham—according to NAS-UWT leaders' private calculations, for example, the terms of the Coventry deal are as they stand roughly only half the cost of the Main committee's recommendations, on a proportionate basis.

However, the NAS-UWT move to resume strikes makes political intervention opportune. With children once again being sent home from lessons, an announcement of legislation on teachers' pay might be well-received in many homes.

A silly step too far by teachers

Even with — big even — the best will in the world, it is hard to see the point of the National Association of Schoolmasters/Union of Women Teachers' call for half-day strikes in schools south of the border from November 3. The NAS/UWT's 129,000 members work predominantly in secondary schools and the strikes will inevitably mean that children are sent home and that parents will have to rearrange their working lives to look after them. Twelve months ago, such a prospect would have been just as inconvenient as it is today. But with one big difference. Teachers then were undervalued and underpaid while the Government, in the shape of the doctrinaire Sir Keith Joseph was determined not to concede to them. Teachers' industrial action, especially in the form it took, was nasty, of course. Yet the teachers had an undeniable case to be taken more seriously and to be better paid. It took an industrial campaign to get that into the heads of Conservative leaders and MPs who themselves had no direct experience of the state school system until their voters started squealing.

But that stage has now been passed. The unhappy but necessary campaign has done its work. The teachers have won. Sir Keith has gone, replaced by the pragmatist Mr Kenneth Baker. Education is the Government's new preoccupation. The log jams are being unrolled. Teachers got more money this year and, one way or another, they are going to get a great deal more next time. It may come through the so-called Coventry agreement between the Labour-dominated local authorities and the other teaching unions. Or, an increasingly tempting prospect for Cabinet ministers as they meet tomorrow to discuss teachers' pay, it may come through a direct award from the centre (though that would require legislation). Either way, we are talking well into double figure percentage increases (on top of this year's 8.5 per cent, remember). Meanwhile, Scottish teachers are poised, perhaps even this week, to reap their full 16.4 per cent Main committee recommendation. That doesn't mean everything is now tickety-boo on teachers' pay. Mr Baker in

England and Wales and Mr Malcolm Rifkind in Scotland have some difficult negotiations ahead. But things have changed.

The NAS/UWT seems determined to ignore this change in the politics of education. They appear more concerned with pursuing their traditional rivalry with the National Union of Teachers to see which can be the more militant than with effective public service trade unionism. This is both wrong and foolish. There is no longer the moral basis, let alone the grudging public support, for the kind of action they now contemplate. If there is to be industrial action in the schools, then there should be a breakdown of negotiations first, followed by a proper strike ballot of union members. In the present case, though, there has been neither. It is difficult to avoid the conclusion that the NAS/UWT leadership has become irresponsibly strike-happy in its time capsule. In so doing, they do all teachers a disservice. They do not deserve public support this time.

Daily Telegraph

Lessons to learn

THE JOY THAT greeted the "historic" interim deal between the teachers and their employers at Coventry last summer always looked dangerously premature. The NAS/UWT's decision to take further strike action for a higher pay award proves the point. Yet there is no reason to despair. Mr Kenneth Baker is a good strategist and can easily turn this irritant to the Government's advantage. He is greatly helped by Mr John Pearman, the socialist councillor who leads the employers' negotiating team. The NAS/UWT's action was, said Mr Pearman, "quite the most selfish and spiteful act that I have seen any trade union perpetrate in my experience in local government." But calmness all round is what is called for until the teachers and the employers meet in Nottingham next month to ratify the deal.

The NAS/UWT has been assiduously collecting members at the expense of the NUT throughout the long drawn-out dispute. It has more members in secondary schools than the NUT. The theoretical maximum salaries (£14,500) specified by the Coventry deal may be enough for the predominantly primary-school NUT, but they will not do for the NAS/UWT. Having attracted so many new members, a show of political virility and initiative seemed appropriate for the leaders of this growing union. This is the destructive way in which they have chosen to represent it.

The NAS/UWT is isolated. The other unions can probably muster the majority needed to ratify the interim deal and give lasting stability. The teachers in England and Wales would have a 14 per cent pay increase. The employers could enforce a tighter contract, and appraisal would evolve. Mr Baker should keep his distance. If the NAS/UWT persists in its dispute it will incur the hostility of all its fellow unions. It could also write off the support of parents, which hitherto helped the teachers to so favourable a settlement. The union does not intend to ballot its members on its proposed strike action. That, if the worst comes to the worst, will enable the employers to take the union to court under the 1984 Trade Union Act. With such comparative unity in the cause of ending classroom strife it would be sad if the ultimate peace were forced by the courts. But if it is a question of that or further disruption, the choice must be made in the best interests of our children.

Tuesday, 21 October 1986

THE GUARDIAN

Teachers to stage week
of half-day pay strikesby Sarah Boseley,
Education Correspondent

Schools will be hit again in the new term as the second largest teachers' union, the National Association of Schoolmasters / Union of Women Teachers, yesterday instructed

Education Guardian, pages 13-24

its 129,000 members to go on half-day strikes in the week beginning November 3.

The local authorities employers said it was inevitable that children would be sent home from school. The strike all came as the Government is moving towards direct intervention to settle the dispute. The strikes are intended to

make the NAS/UWT's opposition felt in the week running up to negotiations in Nottingham on November 8, which the employers intended should set the final seal on a long-term deal with the teachers.

The strikes will be coordinated locally to coincide with rallies around the country beginning in London on the Monday and ending in Birmingham on the Friday.

The renewed disruption will spark calls for the Government to intervene, as it is understood to be poised to do. Mr Kenneth Baker, the Education Secretary, is set to make a statement on teachers' pay when the Commons resumes.

Mr Baker is thought to be

Turn to back page, col. 6

ready to offer English and Welsh teachers the 18.4 per cent increase over the next 18 months recommended by the independent Main Inquiry for Scottish teachers.

He would have to commit himself to replacing the statutory Burnham pay negotiating committee, composed of local authority and teacher unions. The decision could lead to nationwide industrial action.

Mr Peter Dawson, general secretary of the Professional Association of Teachers, which has a no-strike clause in its constitution, yesterday wrote to Mr Baker urging him to intervene.

The NAS/UWT refused to sign the Coventry provisional pay deal agreed by the local authorities with all other unions in July. Now it says that the document has been effectively re-opened for negotiation by the other unions which want improvements in line with the Main report.

Mr Nigel de Gruchy, deputy general secretary of the NAS/UWT, said: "It is not prolonged industrial action but we want to use it to show management that Coventry will not provide a long-term solution."

● Pay talks involving 180,000 college lecturers collapsed yesterday and the lecturers' union, NATFHE, has arranged an emergency executive meeting for Thursday

Morning Star

Teachers
plan local
stoppages

THE National Association of Schoolmasters/Union of Women Teachers, yesterday ordered its 129,000 members to take local half-day strike action in the week beginning November 3.

The action, by the second largest teachers' union, is timed to pressurise the local authority employers into improving a provisional salary deal when final negotiations take place with all six teacher unions over the weekend of November 8-9 in Nottingham.

The strikes will coincide with UWT leaders will voice their opposition to the draft Coventry agreement, which involves an 11 per cent rise this year and an increase from £11,000 to £14,500 in the maximum for most classroom teachers.

THE TIMES

Baker pressed on
teachers' pay deal

By Mark Dowd, Education Reporter

The Government came under renewed pressure last night to intervene in the wrangle over teachers' pay, after the second largest union instructed its members to begin nationwide industrial action in two weeks time.

The National Association of Schoolmasters/Union of Women Teachers announced plans to launch a series of half-day strikes from November 3.

Mr Nigel de Gruchy, the deputy general secretary, said that the move was designed to force a change of mind among local authority employers before the critical meeting on pay and conditions in Nottingham on November 8.

The NAS/UWT, which has 129,000 members, was the only union not to sign the Coventry deal on pay and conditions negotiated last July.

Its principal objection is that the £14,500 figure at the top of the Main Professional Grade is inadequate, and although the deal offers an increase of 11 per cent for this year, Mr De Gruchy emphasized yesterday that teachers' pay was still 34 per cent below levels recommended in the Houghton Report of 1974.

The smaller teacher unions are afraid that the hope which flowed from Coventry will be buried in inter-union rivalry

between the NAS/UWT and National Union of Teachers.

There was a feeling among the other unions yesterday that one motive for the strike move was to sow dissent about Coventry among dissatisfied members of the National Union of Teachers, thus undermining the working relationship it has with the Labour-led employers.

The situation is so serious that the Professional Association of Teachers, the only union with a no-strike agreement, has written to the Secretary of State, urging him to intervene. Mr Peter Dawson, the general secretary, said it had become clear that none of the unions would be going to Nottingham with any hope of concluding a final deal.

Although Mr Kenneth Baker has played a low-key role so far, he is under pressure to inject new life into the fragile pay and conditions talks.

Mr John Pearman, leader of the local authority employers, yesterday described the strike move as "the worst example of political posturing". Condemning the NAS/UWT move as immoral, he said it was unbelievable that the union should engage in cheap propaganda regardless of the interests of the education

MIRROR

TEACHERS PLAN
" 1/2-DAY STRIKES

SCHOOLS are to be hit by half-day strikes as teachers launch a new battle over pay.

The strikes will be staged by members of the second largest teachers' union—the National Association of Schoolmasters and Union of Women Teachers—during the week beginning on November 3.

The action is timed to put pressure on local authority employers to improve a proposed pay deal when negotiations with all six teacher unions start at the end of that week.

The draft deal involves an 11 per cent rise this year and an increase in the maximum for classroom teachers from £11,000 to £14,500.

John Pearman, chairman of the employers' side, yesterday condemned the half-day strikes as "immoral".

But NAS-UWT general secretary Fred Smithies warned that a breakdown of talks would lead to "serious industrial action".

Tuesday, 21 October 1986

Daily Telegraph

Half-day pay "strikes called" by teachers

By David Walker, Education Correspondent

THE SECOND largest teachers' union yesterday called half-day strikes by its 128,000 members in local authority schools in England and Wales during the week beginning Nov. 3, ending the lull in the teachers' pay dispute that has lasted since July.

The call, by the National Association of Schoolmasters/Union of Women Teachers, jeopardises the provincial agreement made in July between the other teacher unions and the local authorities.

Mr Baker, Education Secretary, last night called the strike call "shameful and disgraceful," adding: "It is an act of high irresponsibility for professional people to inflict suffering on children in this way."

Political pressure is likely on Mr Baker to intervene. The strikes will coincide with a series of union rallies during the week Nov. 3-7. These are: Nov. 3, London, Hull, Winchester; Nov. 4, Sunderland, Norwich, Cardiff, Manchester, Nottingham, Oxford, Reading, Dunstable, Bradford; Nov. 5, Liverpool, Brighton, Llandudno; Nov. 6, Basildon, Middlesbrough, Preston, Bristol, Leeds, Stoke; Nov. 7, Sheffield, Northampton, Birmingham, Keswick.

34 p.c. rises sought

Further action will be taken if, in the words of a union official, the local authorities do not tear up the provisional agreement and negotiate a new deal that offers teachers rises of 34 per cent rather than the 10 to 11 per cent now being talked about.

In July the local authorities agreed a preliminary deal with the main teachers' union, the National Union of Teachers. Further discussion on a package of pay and conditions is to take place in Nottingham on November 8.

Lecturers to meet

Following the weekend collapse of pay talks involving 180,000 college lecturers, their union has arranged an emergency executive meeting for Thursday at which calls for disruptive sanctions are expected to be made.

TODAY

School pay battle to hit pupils,

TEACHERS in England and Wales are set to take disruptive action as pay talks reach a critical stage. The second largest union yesterday ordered its 128,000 members to stage local half-day strikes in the week beginning on November 3.

The aim is to pressurise the employers into improving a provisional salary deal before talks with all six teacher unions on November 8 and 9.

The threat of a third winter of school disruption comes after teachers ended 15 months of action last May.

The strikes by the National Association of Schoolmasters and Union of Women Teachers will coincide with rallies opposing the draft agreement reached in July.

This proposes an 11 per cent rise this year, increasing the maximum for most teachers from £11,000 to £14,500.

The union will wait until after the negotiations before deciding on further strikes.

Mr John Pearman, chairman of the local authority employers, said the action would cause fresh hardship at a time when there was a chance of a significant advance.

Education Secretary Kenneth Baker's plans for a big rise for teachers has caused a cabinet split with ministers worried that other budgets could be squeezed. The row is holding up decisions on next year's government spending.

STAR

Teachers to strike 17

INDUSTRIAL action by teachers is set to return to schools in England and Wales as pay negotiations reach a critical stage.

The second largest teachers' union, the National Association of Schoolmasters/Union of Women Teachers, yesterday ordered its 128,000 members to take local half-day strike action beginning on November 3.

It is timed to pressurise the local authority employers into improving a provisional salary deal when supposedly final negotiations take place with all six unions on the following weekend.

The strikes will coincide with regional rallies at which NAS/UWT leaders will voice their opposition to the draft agreement, which involves an 11 per cent rise this year.

FINANCIAL TIMES

Teachers to strike over pay,

BY DAVID BRINDLE, LABOUR CORRESPONDENT

SCHOLS in England and Wales face renewed disruption over teachers' pay as the National Association of Schoolmasters/Union of Women Teachers yesterday instructed its 125,000 members to stage half-day strikes in the week beginning November 3.

The NAS/UWT, the dominant union in secondary schools, is seeking fundamental improvements in the outline agreement reached in negotiations in Coventry in July, on a new employment contract and salary structure.

The half-day strikes on different days in different areas are due to take place in the week before further negotiations in Nottingham, intended to put flesh on the bones of the Coventry agreement. They will culminate in a demonstration in Nottingham as the talks open.

Mr John Pearman, the local authority employers' chief negotiator, said yesterday: "I think it is quite the most selfish and spiteful act that I have seen any trade union perpetrate in my

experience in local government."

The greatest cause of concern to the employers is the timing of the union's announcement. They fear the Government may be poised to by-pass the negotiations and impose a pay settlement on teachers in England and Wales at the same time as it decides on pay in Scotland.

Such action would probably require special legislation to circumvent the statutory Burnham Committee but a Cabinet committee chaired by Mrs Thatcher is said to be considering all options in tandem with the Main Committee's recommendation of an average 18.4 per cent increase over 18 months for Scottish teachers.

The Professional Association of Teachers, a no-strike union claiming 42,000 members, last night called on the Government to intervene. It said: "The likelihood of progress to secure either an acceptable salary award or peace in schools through the current exchanges no longer exists."

The NAS/UWT, which refused to join the Coventry

agreement, wants the £14,500 figure specified in the agreement as the maximum achievable basic salary for classroom teachers to be increased to £18,000.

Mr Fred Smithies, general secretary, said: "I really would rather see us come to a final conclusion on this matter than settle for some blatantly fudged settlement which simply defers the problem from, say, 1986-87 to the winter of 1987-88."

The union does not plan a pre-strike ballot in line with its policy of instructing members to take industrial action. This leaves it open to challenge under the Trade Union Act 1984.

Meanwhile, parallel pay restructuring negotiations for 180,000 college lecturers have become deadlocked following the failure of weekend talks in Nottingham. The lecturers' union accused employers of insisting on an increase in the teaching week which could make surplus £1,500 posts. Teachers may jump the gun.

ccBG

ccBI

PRIME MINISTER

PUBLICITY OF TEACHERS' PAY

I do not see that Robert Armstrong's guidance in his letter below ought to cause David Hancock problems. The key issue, which I daresay David Hancock will have in mind, is that £200 million of taxpayers' money, through the RSG payment, will be directly involved in helping to finance the settlement. There is thus a strong taxpayers' interest in getting the settlement approved quickly and smoothly. Expenditure of relatively small amounts of taxpayers' money for the publicity campaign is therefore a good investment for the taxpayer if it helps acceptance of the pay deal.

If the DES have any "propriety" difficulties, the meeting at 1500 on Monday provides an opportunity to sort them out.

NW

Mr David Hancock has decided to go ahead with the advertising.

N.L.W.

N. L. WICKS
31 October 1986

In answer or ARN
sub 3/11

CAJ(62)

1 Duty Clerk - PL copy to
BI.

2. Mr Nargrave - PL let me know before 1500 meeting whether DES have problems. N.L.W

MR NICKS
cc BT
cc BT

70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

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

Sir Robert Armstrong GCB CVO

Ref. A086/3195

31 October 1986

Dear David,

The Cabinet yesterday invited your Secretary of State to consider some form of direct approach to individual teachers to inform them of the details of the Government's proposals on teachers' pay. You will have to consider whether this would be a proper use of public funds.

The conventions on this matter were set out in a note by the Cabinet Office on Central Government Conventions on Publicity and Advertising prepared for the Widdicombe Inquiry. This note was dated 25 April 1985, and was, I think, published in connection with the Widdicombe Inquiry's Report, and copies --- were placed in the Library of the House of Commons. I attach a copy herewith.

There is no precedent for a letter or leaflet to be sent to all teachers by the Department of Education and Science on a matter of this kind. The nearest thing to a precedent appears to be advertisements inserted in nursing journals and in the national press about National Health Service pay offers in 1982. These advertisements cost £83,000. The Advertising Standards Authority ruled that the advertisements were political and therefore not within the scope of its Code. There was no more than muted criticism of the use of public funds for these advertisements.

A direct mail approach to teachers would go well beyond this, and would raise a number of issues which you would need to address:

1. Teachers are not (as NHS staff are) employees of the Crown.

Sir David Hancock KCB

/2. Though

2. Though the information would clearly and directly affect the interests of teachers, the proposals have as yet neither the status of an agreed settlement nor the force of law. Where rights or entitlements are created under legislation, the general rule has been that public funds may be spent on drawing the attention of those directly affected to their new rights or entitlements once they are approved by Parliament.

3. A direct mail approach would be seen as a deliberate decision to go over the heads of both the employees and the unions to the individual teachers. As such it would be a very political and no doubt very controversial move.

4. Such an approach might be prayed in aid as a precedent for a similar direct mail approach to teachers by local authorities financed out of rate revenues. Even if the Opposition did not demand some sort of right of reply (financed from public funds), such an approach might become a precedent for comparable action to be undertaken at some later date by another government and paid for out of public funds.

It is for you, as Accounting Officer, to consider what you think you could justify as proper use of public funds, if you were called upon by the Public Accounts Committee to do so. For my part, I believe that you might have an arguable case for:

1. advertisements in the national press and in educational publications, setting out the details of the Government's proposals on terms and conditions of service and on pay;

2. leaflets setting out these details which could be sent out with replies to letters from Members of Parliament and members of the public, or in bulk to organisations with a clear interest, for distribution at their own expense to their members.

I believe that a direct mail approach by the Department to individual teachers at the public expense would be without precedent, and might be more difficult to justify in terms of the conventions set out in the note prepared for the Widdicombe inquiry.

I think that you would be well advised to take legal advice, if you were proposing to use data available to you for other purposes (eg pensions records or payment of pensions) as the basis of your mailing list for a direct mail approach.

You would no doubt also take your own legal advice as to the risk of a legal challenge and judicial review; the case of *Jenkins v. Attorney General* and another in 1971 could have some relevance here.

I am sending copies of this letter to Peter Middleton, Kerr Fraser and Richard Lloyd Jones.

Yours etc
Robert Armstrong

CENTRAL GOVERNMENT CONVENTIONS ON PUBLICITY
AND ADVERTISING

Note by the Cabinet Office

This note sets out the conventions which successive governments have applied to their publicity and advertising. There have been changes over the years in the type and quantity of what may be broadly described as publicity. Methods of communication change or develop, and Governments have increasingly put out more information about their policies and activities. But the basic conventions have remained. They are in general terms, but have in practice provided a satisfactory basis for the exercise of judgment in individual cases.

THE MAIN CONVENTIONS

2. It is right and proper for Governments to use public funds for publicity and advertising to explain their policies and to inform the public of the Government services available to them and of their rights and liabilities. Public funds may not, however, be used to finance publicity for party political purposes; this rule governs not only decisions about what is or is not to be published but also the content, style and distribution of what is published. This basic rule covering all Government publicity and advertising has been accepted under successive Administrations.

3. The conventions apply to both "paid" and "unpaid" publicity. "Paid" publicity includes paid advertising in the press, on radio and on television, leaflet campaigns, exhibitions etc. "Unpaid" publicity includes papers presented to Parliament as White and Green Papers and other consultation documents (which are sold to the public at prices intended to defray the costs of printing, publication and distribution), press notices and other official briefing material (all of which may nevertheless involve some cost to public funds in Civil Service costs).

4. The conventions are:

- i. subject matter should be relevant to Government responsibilities. The specific matters dealt with should be ones in which Government has direct and substantial responsibilities;

ii. content, tone and presentation should not be "party political". The treatment should be as objective as possible, should not be personalised, should avoid political slogans and should not directly attack (though it may implicitly respond to) the policies and opinions of opposition parties or groups;

iii. distribution of unsolicited material should be carefully controlled. As a general rule, publicity touching on politically controversial issues should not reach members of the public unsolicited, except where the information clearly and directly affects their interests. The level of intrusion is highest for television, newspapers and poster advertising and material delivered to people's homes, and lowest for material available only on request. The general rule is that leaflets etc may be issued:

a. in response to individual requests, or enclosed with replies to related correspondence;

b. to organisations or those with a known interest or, with the organisation's agreement, in bulk for distribution at their own expense to their membership only.

vi. costs should be justifiable. The Government are accountable to Parliament for the use they make of public funds for publicity, as for any other purpose. The Accounting Officer for the Vote concerned has a particular responsibility to the Public Accounts Committee.

DETAILED APPLICATION

5. The following paragraphs set out how these conventions are applied to the main kinds of Government publicity. Some specific examples of publicity in potentially politically controversial areas are given at Annex A.

NEW POLICY PROPOSALS

6. The main forum for the presentation and discussion of Government policies is Parliament. Major policy proposals are usually presented to Parliament as Command Papers which are sold to the public at a price designed to cover the costs of printing and distribution. Thus the cost to public funds usually consists only of the costs of preparing the text. Other proposals on which comments are invited may be set out in less formal documents in printed or typescript form. These are sometimes priced and sometimes provided free of charge. They are deposited in the Libraries of the House of Lords and the House of Commons

at the time of publication and may be sent unsolicited to those with a known interest (not as a rule to the general public, although copies may be provided on request). The public will also get information free of charge through the official information machinery (Departmental Press Offices and the Central Office of Information) by means of press notices or other briefing.

7. Command Papers, consultative documents, official press notices and briefing material may well cover matters which are the subject of party political controversy. Such material will set out what the Government is doing and what they want to achieve. But content, tone and presentation follow the conventions set out in paragraph 4. The emphasis is on exposition and the arguments.

8. Public funds have been used in recent years to supplement this kind of "unpaid" publicity in two ways:

i. **Popular versions of Command Papers.** These are simplified versions of White Papers etc which are supplied free of charge and intended to reach and answer the questions of those who are unlikely to buy or read the on-sale document. Examples are Britain's application to join the EC (1971), devolution (1976), counter-inflation (1975), buses (1984).

ii. **Leaflets dealing with typical questions.** These are handed out in place of, or enclosed with, replies to letters from MPs or the public and may be given wider distribution if appropriate and cover the main questions which may be raised about a particular policy proposal. Examples are leaflets explaining and answering points on the Government's proposals on live animal experiments (1983-84), the privatisation of British Telecom (1983) and the abolition of the GLC and the Metropolitan County Councils (1985).

9. Both kinds of publicity may be criticised, and presentation and handling are therefore looked at particularly carefully. They are usually written in a more popular style than the traditional Government papers which they supplement. But, like them, they follow the conventions on content and presentation. The emphasis is on facts and explanation rather than on the political merits of the proposals. And titles are carefully chosen to be as neutral as possible. For example the recent leaflets on abolition of certain local authorities are simply headed 'After the GLC' and 'After the Metropolitan County Councils'.

10. The justification for such publicity is that it enables the Government to explain its policies and the reasons for them to the general public in a cost-effective way, in circumstances where the traditional means of exposition - statements in Parliament and press notices - may not be sufficient for the purpose. There should be a reasonable relation between the cost of the publication and the likely cost of public funds in terms of enquiries from the public etc if it were not produced. The extra cost of printing the material (as distinct from simply photocopying it) must also be justifiable.

EXPLANATION AND DISCUSSION OF EXISTING POLICIES

11. The same general conventions apply to publicity for existing policies. Paid publicity may be used where the Government believes that a direct approach to the public is needed to give more information about particular issues and policies or to clear up misconceptions. Examples include advertising campaigns on counter-inflation policies (1975), and leaflets and films on defence and disarmament issues (since 1979) and a variety of departmental reports.

12. In such cases subject matter, presentation and handling are again critical, particularly when publicity deals with issues on which there is no consensus. The presentation of arguments and counter-arguments takes account of the need to avoid criticism that public funds are being used to disseminate party political propaganda. The emphasis is on the factual basis and exposition of Government policies rather than on partisan argument.

INFORMATION ABOUT RIGHTS, OBLIGATIONS, LIABILITIES AND GOVERNMENT SERVICES

13. This kind of publicity covers a wide range. It may follow legislation which has given the public new entitlements or obligations. It may remind the public of entitlements which the Government would like to see taken up more widely. Or it may be used to encourage the public to adopt certain kinds of social behaviour. It has been accepted under successive Administrations that the Government has a clear duty to inform the public in this way. There is no question about the public's need to be informed of their legal entitlements and obligations, and the services available to them. The Government also has a clear right to use publicity to encourage behaviour which is generally regarded as being in the public interest (eg road safety advertising). Most publicity of this kind consists of leaflets, posters and newspaper advertisements. Some of these simply provide factual information and practical advice but others need to be more persuasive in content and presentation. Similar publicity is used to explain changes in the law which affect individuals or businesses, or the work of their professional advisers, Citizens' Advice Bureaux etc.

14. There may be some sensitivity where the matters publicised are the product of controversial legislation or potentially controversial policies. Examples include "Fair Rents" (1972-73), "Right to Buy" council houses (1980-82), "Right to Buy" (1984), "Right to Buy" in Scotland (1984), and the "Switch Off Something" campaign in 1974. Care has been taken in the "Fair Rents" and "Right to Buy" cases to present the information in a way that concentrates on informing the public about the content of legislation and how it affects them. Material of this kind is justified in principle by the need of members of the public to be informed of what entitlements are available to them under legislation. In the second case, the "Switch Off Something" campaign was generally accepted as necessary because it bore directly on maintaining the life of the community in a national emergency. Its continuation during the February 1974 Election campaign was specifically agreed with the Opposition Chief Whip.

RECRUITMENT

15. Paid publicity is used extensively by the Government to recruit people in various public services. This is generally non-controversial, but the cost must still be justified.

LEGAL POSITION

16. Departments of central Government, unlike local authorities, do not rely on any specific statutory authority to spend money on advertising and publicity. Their use of publicity is covered by the principle that the Crown - and Ministers of the Crown as its agents - can do anything an ordinary person can do provided that there is no statute to the contrary and Parliament has voted the money. The safeguard is of course the Government's accountability to Parliament for all that they do and spend.

CRITICISM OF GOVERNMENT PUBLICITY

17. Government practice on the basis of the convention has occasionally been criticised in Parliament and in the press, but seems to have been subject to only rare formal challenge in recent years. Three instances are:

a. In August 1971 an injunction was sought in the High Court against the distribution of a shortened White Paper on Britain's application to join the EC. The injunction was not granted, and Mr Justice Griffiths (*Jenkins v Attorney General and another*, 1971; 115 *Solicitors Journal*, Part II p 674) "could not accept the submission that the prerogative power of the Crown to issue free information was limited....to information about Government executive action pursuant to law and excluded the power to inform the public of Government proposals....".

b. In 1973 the IBA objected to the term "fair rents" in the Government's advertising following the Housing Finance Act 1972 (even though it had been used in the legislation), and the wording had to be changed.

c. In 1982 advertisements in the press of current pay offers to the NHS, though entirely factual, were ruled by the Advertising Standards Authority to be political and therefore outside the scope of its code.

Cabinet Office

25 April 1985

CENTRAL GOVERNMENT CONVENTIONS ON PUBLICITY
AND ADVERTISING

(Evidence given to the Widdicombe Inquiry)

This note reproduces the Appendix to Annex A to the Note by the Cabinet Office dated 25 April 1985, with the addition of such information about costs as could be obtained without disproportionate expense.

I. POLICY PROPOSALS

1. Britain's application to join the European Community (1971)

Leaflets, posters, shortened version of White Paper: 5½ million copies of shortened White Paper, cost £191,000; leaflets £255,850; advertising the leaflets £86,150 (all figures to July 1971).

2. Devolution (1976)

Popular version of 1975 White Paper published as booklet. Available free at Post Offices in Scotland and Wales. 1,360,000 copies printed, cost £43,000; press advertising of its availability cost £31,300.

3. Police and Criminal Evidence Bill (1983/84)

Booklet on Government proposals, giving replies to main criticisms. Supplied free of charge on request and distributed to various interested groups. Copies enclosed with replies to letters from MPs and public about the Bill. 2,000 copies printed, cost £1,200.

4. Bus Policy (1984)

Leaflet summarising White Paper and answering main questions about the policy. Supplied free of charge on request and sent to various interested groups. Copies enclosed with replies to letters from MPs and public about the Bill. No bulk distribution, but extra copies available to MPs. 20,000 copies printed, cost £1,564.

5. Privatisation of British Telecom (1983)

Pamphlet explaining Government's aims and proposals in recently introduced Bill. Produced to deal with questions most commonly raised. Issued to organisations which had expressed interest in the Bill and in reply to MPs and public correspondence. 18,000 copies printed, cost £7,935.

6. Abolition of Greater London Council and Metropolitan County Councils (1985)

Two pamphlets explaining Government's proposals in Local Government Bill produced after Second Reading in response to requests for information about the proposed arrangements. Sent to all MPs, the press, and the relevant local authority associations. Enclosed with replies to letters about the Bill, and supplied free of charge on request. Initial print 5,000 of each pamphlet, total cost £9,600; further prints 25,000 (GLC) and 40,000 (MCCs), total cost £3,400.

II. EXPLANATION AND DISCUSSION OF EXISTING POLICIES

7. Counter-inflation campaign (1975)

Pamphlet (based on earlier White Paper) distributed to all households. Other briefing material supplied on request. Newspaper advertising beforehand. Cost of pamphlet £850,000, advertising £94,000.

8. Environmental protection (1984)

Booklet for London Economic Summit on achievements in environmental fields. 25,000 copies printed, cost £29,000.

9. Defence Policy Generally, Nuclear Defence, Arms Control and Disarmament (Continuing)

Several information booklets, pamphlets and films. Available free of charge on request. Some distribution by non-government agencies on basis that there should be no unsolicited distribution. About £20,000 was spent for the Ministry of Defence in 1984/85 on material explaining nuclear and disarmament policies.

10. NHS Pay offers (1982)

Advertising in nursing journals (offer to nurses) and national press (offers to all NHS groups). Total cost £83,000.

(NB. Advertising Standards Authority ruled that the advertisements were political and therefore not within the scope of its Code.)

11. Control of Experiments on Living Animals (1983/84)

Leaflets distributed on request and in reply to correspondence. Set out policies developed by successive Governments and answered points about the 1984 White Paper proposals. Costs £1,952 (1983), £60 (1984).

12. Civil Defence (1974, 1980/83)

Priced and free publications. Free publication distributed on request and also to local authorities for issue by them on same basis. For the two recent unpriced publications, costs were £29,068 (1981) and £600 (1983).

III. INFORMATION ABOUT RIGHTS, LIABILITIES, GOVERNMENT SERVICES ETC.

13. Switch Off Something campaign (1974)

Advertising on TV, press and radio to persuade domestic users to save electricity during the miners' dispute.

14. Fair Rents Campaign (1972/73)

Leaflets and booklets for private sector tenants explaining Housing Finance Act 1972. TV and press publicity for both private and public sector tenants. Cost of leaflets and booklets £4,000, advertising £683,000 (1972-73).

15. Right to Buy (1980/82)

Booklet explaining council tenants' new rights under the Housing Act 1980. Supplied free of charge on request. Some ordered by Conservative Central Office for distribution door to door.

16. Right to Buy (1984)

Explaining extension of rights under the Housing and Building Control Act 1984. Booklet and letter from the Minister distributed to most council tenants by a commercial organisation. TV and newspaper advertisements. Total publicity for Right to Buy was as follows:

1980/81	£655,000
1981/82	£239,000
1982/83	£76,000
1983/84	£1,340,000

17. Rates Act (1984)

Explanatory leaflet about the purpose of rate limitation and how it would work, in question and answer format, delivered to 5 million households in the areas subject to rate limitation in 1985/86 under the Rates Act. Advertisements placed in national and local newspapers. Estimated total cost approximately £420,000.

(Revised 23 May 1985).

MR. NORRGROVE

cc Mr. Coe

PUBLICITY ON TEACHERS' PAY

This records my conversation with Sir Robert Armstrong and Mr. Coe this afternoon about teachers' pay.

Sir Robert telephoned to say that he was about to write to Sir David Hancock recording some concerns about the suggestion that there should be a direct mail-shot of teachers. I told him, on the basis of your minute of today, that the plan now was for head teachers to be written to. It was not practical to write to all teachers. Sir Robert said that Sir David needed to assure himself, as accounting officer, that expenditure on such letters was proper. The same applied to the proposed advertising campaign, though he had less concerns about that. Mr. Coe then telephoned to say that COI were somewhat uncertain about the case for the advertising campaign, though there appeared to be a precedent (from 1982) concerning nurses.

I again spoke to Sir Robert who said that his letter to Sir David would issue that evening.

Subsequently I spoke to Rob Smith in DES Private Office. I said that it was up to the DES to assure themselves about the financial and political propriety of both the direct mail-shot to headmasters and the advertising before any commitments were made. In order not to distract attention from the important message in any letters and advertising, it was important that the Government's critics were given no grounds for attacking the method by which the message was put across. The Secretary of State would be well advised to talk to the Lord President as the Minister in charge of the coordination of Government information policy. No.10 should be kept in touch.

N.L.W.

N.L. WICKS

31 October 1986

N. Wicks

I earlier said to DES that if there are problems with the rules we would do what we could to help to find a way through them.

DRS
31/10.

CONFIDENTIAL

PRIME MINISTER

cc: Mr. Ingham

PUBLICITY ON TEACHERS PAY

DES have been considering their publicity campaign.

They cannot write to all teachers; the pensions scheme is unfunded, and Darlington does not hold addresses for individual teachers unless they have made enquiries about their individual pension rights. They estimate that they hold addresses for only about 20 per cent of teachers.

Mr. Baker has made arrangements for getting as much helpful material into the Sunday newspapers as possible. He will be writing to all head teachers next week (with five copies of the letter) in the hope that they will show them to their staff. The DES will take full page advertisements in the newspapers on Thursday. They are lining up sympathetic teachers who can be put on to radio and television to counter unhelpful interviews with antagonistic teachers. Other efforts are apparently being made through the Party machinery.

I have told them we will do what we can to help if they run into trouble with the rules of publicity or if they need extra advice and assistance from the COI and elsewhere. DES will apparently have spent all their publicity budget by the end of next week, so there may be an argument between them and the Treasury about funding for the next stages. I imagine in those circumstances you would want to urge the Treasury not to risk the success of a pay offer which costs £900 million in 1988/89 and beyond by scrimshanking for a few million pounds.

DES are also working out how they would handle the publicity after Nottingham if the dispute gets rougher.

David Norgrove

31 October 1986

JA(53)

CONFIDENTIAL

See also

my
note
immediately
below.
N.C.V.

Thankyou
mf

To Williams

W Ingham

*to have a case, in the absence of an inf
Derek at DfS, for Jim
myself
in the development of a campaign*

CONFIDENTIAL

*Passed your app
to Rob Smith*
cc: Mr. Ingham

PRIME MINISTER

PUBLICITY ON TEACHERS PAY

*W Baker's office
N.C.U*

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David Norgrove
31 October 1986

JA(53)

CONFIDENTIAL



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

FROM THE SECRETARY OF STATE

John Pearman Esq
Chairman of the Management Panel
Burnham Primary and Secondary Committee
LACSAB
41 Belgrave Square
LONDON SW1

~~1. NEA~~
2. pa.

30, October 1986

Dear John,

SCHOOL TEACHERS' PAY AND DUTIES

When we met on 23 October I expressed my concern about the absence of progress towards an acceptable package covering teachers' pay, professional duties and contracts which the Government would be willing to support. You have long made it clear that such support was an essential condition for finalising any deal with the teachers. It is important that you should know precisely where the Government stands before the negotiating process takes up again, in Nottingham on 8 November. To that end, I have now set out the Government's position in a statement to the House, a copy of which I attach. This letter explains the considerations underlying the Government's proposals and offers further details.

I do not regard the shape of the "Coventry" salary structure as satisfactory. It compresses differentials, cuts back on promotion opportunities for better teachers and those who carry additional responsibility, and fails to provide the flexibility which management must have if it is to deal with subject shortages, transfers between schools and the staffing of difficult schools. I am concerned about the list of additional pay demands presented by the teachers two weeks ago despite their earlier majority support for your Coventry heads of agreement. I note that all are chipping away at that understanding and I have had to conclude that further negotiations starting from the position reached at Coventry cannot yield a final bargain which properly reflects the needs of schools.

You have long known that the Government is willing to see increased expenditure on teachers' pay, on stated conditions. The first is that there must be a pay structure with adequate differentials to reflect the varying responsibilities of teachers and the need to recruit, retain and motivate teachers throughout the school system and at all stages of their careers. The second is that school teachers' contracts and conditions of service

should be brought into line with the 19 points discussed at Coventry. Contracts must leave no room for ambiguity about teachers' duties and must expressly provide for school teachers to cover for absent colleagues and for them to be available to work at the direction of head teachers for 1300 hours over 195 days each year.

You also know that the Government has had the Main Report for Scotland under consideration for some weeks now and that we have been taking a close interest in the negotiations in England and Wales. I have to tell you plainly that the Government has concluded that the employers and unions in England and Wales should reach agreement on a pay package based on the relevant Main recommendations, with such adaptation as is needed to accommodate differences in the educational systems North and South. If a Burnham agreement on that basis can be reached, within the 16.4% cost envelope of the Main Report, for implementation in two equal stages on 1 January 1987 and 1 October 1987 respectively, and if a satisfactory parallel agreement on duties and conditions of service is concluded in CLEA/ST - within the same cost envelope - then the Government will be willing to make additional expenditure provision for teachers' pay this year and next. Fuller details of the basis of agreement which the Government would be willing to underwrite are given in the attachment to this letter. The Government is not willing to provide for any additional expenditure for teachers' pay on any other basis or for any other changes beyond the terms of this letter and its attachment.

Agreements of this kind would involve substantial additional expenditure on teachers' pay. That cost would fall to be shared between tax-payers and rate-payers. For its part the Government would be willing to increase education GREs by the full costs of the changes in pay levels and structure envisaged in the attached proposals - £118m for 1986/87 and £490m for 1987/88. It would increase block grant to local authorities by £56m and £200m in those years.

I recognise that the Government's proposals will involve substantial further work at Nottingham to draw up appropriate agreements which will command our support and justify release of the additional resources. I am confident that with goodwill on all sides that work can be completed swiftly, the agreements formally concluded and parents and pupils assured of uninterrupted education of high quality. I must make it clear that the matter must now be resolved on all the terms and conditions I have set out. For teachers the benefits are great - clarity about the nature of their professional task and cumulative average pay increases of 25% over the 2 years to October 1987.

Lastly, I should give you early warning of my intentions regarding the future of Burnham. The last few years have shown that there is wide acceptance that the present negotiating machinery should be replaced. The Government therefore intends to legislate to end Burnham and to bring forward proposals for new machinery involving an interim committee to advise the Secretary of State on school teachers' conditions of service and the distribution of pay within the resources available at the appropriate time.

Yours sincerely
Kenneth Baker

TEACHERS' PAY AND DUTIES: GOVERNMENT PROPOSALS

The Government believes that the salary structure recommended for Scotland by the Main Committee should be adopted for England and Wales, with such adaptation as is needed to reflect the different education system in England and Wales. The new structure should give a much improved scale maximum for the unpromoted classroom teacher. That maximum would be reached after 6 to 9 years' service, depending on entry qualifications. The availability of promoted posts should be much increased, with new principal teacher posts being phased in over a 3-year period so that in the primary sector 40% of all teachers would be heads, deputies or holders of promoted posts, with a corresponding secondary figure of 60%. The Government believes that the availability of such promotion opportunities within teaching is essential rewards to provide proper for good teaching and additional responsibility. It is also important for staffing and career management reasons - to allow schools to attract teachers in short supply, to facilitate changes of school where that is in the best interests of teacher and school and to provide a management tier within the school which involves a substantial proportion of the school staff.

2. Accordingly, the Government proposes that the present structure should be replaced by a 9-point scale as follows:

SCALE POINT	£
1	7,900
2	8,200
3	8,500
4	9,200
5	10,000
6	10,800
7	11,400
8	12,000
9	12,700

Trained graduates without teaching or other valuable experience would start at point 1, trained good honours graduates at point 3. Employers would have discretion to fix higher starting salaries if they judged that appropriate - examples would be teachers who had undertaken further post-graduate study or research or who offered qualifications or experience of special relevance to teaching. The few non-graduates still entering teaching would start at a sub-scale salary of £7,600, proceeding to point 1 after one year's service. The proposed new induction arrangements currently favoured by employers, unions and the Government could be retained, to apply for the first two years of service but without a separate induction scale.

3. For promoted teachers, the Government proposes 5 rates of allowance to be added to the scale salary: £900, £1,800, £2,800, £3,800 and £4,800. The first three levels of promoted post would be available for primary schools, all five for secondary. The resulting maximum salaries for primary teachers other than heads and deputies would be £13,600, £14,500 and £15,500: for secondary teachers two further maxima would be available, £16,500 and £17,500.

4. Assimilation to the new scale would be as follows. Scale 1 teachers on points 0-2 of the present Burnham structure move to £7,600, all others to points 1-7 of the new scale: points 3 and 4 to point 1, point 5 to point 2; point 6 to point 3; points 7 and 8 to point 4, points 9 and 10 to point 5, point 11 and 12 to point 6, point 13 to point 7. Scale 2 salaries would be assimilated in the same way, except that those on the 3 highest points of scale 2 would be assimilated to points 7, 8 and 9 of the new scale.

5. Scale 3 and 4 salaries below the present scale 2 maximum would be assimilated as above. Other scale 3 and 4 and all senior teacher points would be assimilated to the new scale maximum. Scale 3 and 4 and Senior Teachers would receive the following additional allowances - scale 3 to receive £900 or £1,800, scale 4 £2,800 or £3,800 and Senior Teacher £3,800 or £4,800.

6. The Main Committee recommended that the availability of promoted posts in Scotland should be increased over a 3-year period. The Government proposes that for England and Wales the availability of promoted posts, including heads and deputies, should be increased over 3 years from September 1987 to 40% for primary and 60% for secondary education.

7. Main recommended single-point salaries for heads, deputies and assistant heads in Scotland. In England and Wales there are no assistant heads and rather more deputies. Also, in England and Wales heads and deputies are on salary scales. The Government would propose a single-point pattern for England and Wales, but retaining the present arrangements for determining school group. The salaries for schools in various groups would be as follows:

SCHOOL GROUP	HEADS' £		DEPUTY HEADS £
1	15500		
2	16000)	
3	16500)	14750
4	17000		15000
5	17750		15575
6	19000		15750
7	20000		16250
8	21250		17000
9	22750		18000
10	24250		19000
11	26000		19750
12	27750		20750
13	29000		21500
14	30500		22250

8. The Government proposes that these new scales should be fully in place by 1 October 1987, with half of the increase payable from 1 January 1987. (For the period to 31 August 1987 that half would be calculated after applying the assimilation rules above to the individual teacher's present salary. For 1-30 September inclusive, the calculation would also take account of any further increment which the teacher would have been due on 1 September under the present salary arrangements.)

9. The Government attaches great importance to the delivery of uninterrupted education for all school pupils. This means that teachers' professional duties must be set down clearly and linked with individual contracts. Parents, public and teachers themselves are entitled to know exactly what can be expected. The Government considers that the list of duties identified in the report of the relevant ACAS working party should be adopted as describing those matters which fall within the professional obligation of all teachers. Those are as follows:

- "1. Plan, prepare, determine and review as necessary personal teaching methods and work programmes.
2. Teach and ensure the discipline and safety of assigned timetabled classes and groups, with the different educational needs of pupils in mind.
3. Set, mark and record pupils' work.
4. Promote the general progress and welfare of a class or group of pupils, and provide initial guidance or counselling on educational, social and career matters.
5. Assess and record pupils' personal and social needs, development, progress and attainment; provide or contribute to oral or written assessments and reports on individual pupils and groups.

6. Contribute to and participate in formal performance appraisal and review, team planning, self-evaluation, in-service training and professional development in assigned areas of the curriculum, and pastoral arrangements.
7. Advise and co-operate with colleagues on teaching programmes, methods, equipment and materials within assigned areas of the curriculum.
- 8'. Co-operate with appropriate specialist agencies and other appropriate outside bodies.
9. Ensure the safety and good order of pupils by carrying out an appropriate share of supervision on pupils' arrival at and departure from school, on dispersal and assembly at the beginning and end of the midday break, whenever pupils are authorised to be on school premises - with the exception of the midday break - and elsewhere when pupils are the responsibility of the school.
10. Consult and liaise with parents, attending meetings arranged for that purpose.
11. Participate in staff meetings and activities.
12. Undertake an appropriate share of the collective staff responsibility to substitute for an absent colleague when required, within limits as agreed.
13. Carry out an appropriate share of such administrative and organisational tasks as flow naturally from the above duties.
14. Take part in arrangements for presenting pupils in public examinations, and contribute expertise to the preparation and development of courses

of study and teaching materials in response to changes in public examinations and assessment procedures.

15. Contribute as required to the appointment, induction, professional development and assessment of junior colleagues, including new entrants to teaching.
 16. Co-ordinate the work of other teachers, as required, taking a leading professional role in the review, development and management of assigned curricular, pastoral or organisational activities.
 17. Supervise ancillary staff where designated to do so.
 18. Order and allocate appropriate equipment and materials.
 19. Carry out such other related duties and responsibilities at the school as may reasonably be allocated, as need arises, by the Head Teachers."
10. Not all teachers will be called upon to carry out all of these duties. Some of the duties listed are inappropriate to new teachers, for example. What is important is that no teacher should be able to decline a reasonable request to undertake such tasks which in aggregate are essential for the uninterrupted well-being of the school and its pupils.
11. Not all the teacher's work need be done on school premises and not all can be accommodated within the pupil's timetabled work or year. The Government does not propose that the teacher's total commitment should be expressed numerically or that it all be met on school premises. But within the full job a substantial proportion must be carried out in accordance with school policies, at the direction of the head teacher.

STATEMENT BY THE SECRETARY OF STATE

1. With permission, Mr Speaker, I wish to make a statement about school teachers' pay and conditions of service in England and Wales.

2. For more than 2 years the local authority employers and the teacher unions have been negotiating about school teachers' pay and conditions. During this time the education of the children in our schools has been repeatedly disrupted. The children have been the victims. The local authorities and teacher unions sought help from ACAS because they were unable to reach a settlement within the Burnham Committee. Limited progress has been made as a result of ACAS's work. Some "heads of agreement" were negotiated at Coventry in July, but little has been achieved since then. Now, scandalously, further disruption is threatened. A further negotiating meeting is planned for 8 November at Nottingham. I must make the Government's position clear.

3. We now also have the Main Committee's report about pay and conditions of service for school teachers in Scotland. My rt hon Friend will shortly make a statement giving the Government's response to that report. The Government regards the recommendations in that report relating to the teachers' pay structure, and to their duties and conditions of service, as well judged. We consider that similar arrangements should be adopted in England and Wales, although existing differences in practice mean that it is not appropriate to seek to apply the Main Committee's findings in their entirety to England and Wales. I am therefore writing today to the Chairman of the Burnham Committee's Management Panel explaining the additional resources the Government is willing to make available for teachers' pay in England and Wales; and spelling out our conditions for releasing those resources. I have placed a copy of that letter in the Vote Office.

4. The Government will make additional resources available only when two very important conditions are delivered. First, there must be a pay structure with differentials which reflect the varying responsibilities of teachers and the need to recruit, retain and motivate teachers throughout the school system and

at all stages of their careers. The pay structure envisaged at the Coventry meeting in July does not meet this condition. A structure more in line with the recommendations in the Main Committee's report is necessary, and I have set out such a structure in the letter which I have put in the Vote Office. All teachers will receive higher pay; more than half of them on promoted posts reflecting varying responsibilities. The crucial importance of head teachers, who carry the biggest responsibilities, will be recognised.

5. The second condition is that teachers' professional duties must be more sharply defined and clarified leaving no room for ambiguity about their duties and this must be carried through into enforceable contracts of employment. Contracts and conditions of service must be brought into line with the nineteen points under discussion at the Coventry meeting. In particular school teachers should be under an express contractual obligation to cover for absent colleagues, and to be available to work at the direction of head teachers for 1300 hours over 195 days each year. All of this is set out in more detail in the letter I have placed in the Vote Office.

6. In return for delivery of these conditions teachers' pay would be increased in two instalments. The first instalment would increase average school teachers' pay by 8.2% from 1 January 1987 and the second instalment would be a further 8.2% from 1 October 1987. These two instalments would cover the full percentage increase in average school teachers' pay implied by the Main Committee's recommendations. This would settle teachers' pay for 1986-87 and 1987-88. The increase of 8.2% from 1 January means that teachers' pay will have increased by over 16% since 30 March this year. Teachers will have had an average 25% increase over the two years to October 1987. ^{This means that} a good honours graduate in his third year would receive after two years' of teaching £10,000, an increase of about 20%. The head of the largest comprehensive would get an increase from £26,250 to £30,500. I want to emphasise that these

increases are only justified by the fundamental change in the terms conditions and structure of the service which must accompany them.

7. If and only if these conditions are met is the Government prepared to add £118 million in 1986-87 and £490 million in 1987-88 to planned expenditure on education in England and Wales. Education GREs would be increased accordingly. Block grants to local education authorities would be increased by £56 million in 1986-87 and £200 million in 1987-88. The cost of these increases would have to be shared by taxpayers and ratepayers. We estimate that rates would increase by between 2% and 4% compared with the decisions that local authorities would otherwise have taken.
 8. I hope that the meeting at Nottingham will accept the position I have outlined. I look to the employers and unions to act quickly and positively. I must make it clear that the matter must now be resolved on all the terms and conditions I have set out. The Government will not be prepared to amend them further, or to make any additional resources available.
 9. Now let me turn to the future. Over the last few years it has become widely accepted that the present negotiating machinery should be replaced. The Government therefore intends to repeal the Remuneration of Teachers Act and to bring forward proposals to this House for new machinery which will involve an interim committee to advise the Secretary of State on conditions of service and the distribution of pay within the resources available at the appropriate time.
 10. The Government is making these proposals in the interests of the whole country. I believe they will be seen as fair and continued disruption will be seen to be unforgivable in these circumstances. My proposals constitute a very special offer for very special people - the children of our nation.
-

The Government considers that time at the direction of the head, for performance of duties as listed in paragraph 9 above should be set at 1300 hours a year over 195 days. 1300 hours is the period favoured by the employers, having regard to schools' needs, and 195 days were agreed at Coventry, allowing 5 days a year beyond the minimum pupil year for in-service training and other school purposes.

12. The list of duties would be subject to more exact expression in the job descriptions of individual teachers, particularly promoted teachers taking on specific responsibilities attaching to the promoted posts concerned. The general statement of responsibilities and the time for which teachers will be available for work at the direction of the head must be specified in individual contracts.

13. The duties of head teachers and their deputies extend beyond those of other teachers. The Government would again agree the list of duties identified in the relevant ACAS working party report, coupled with such statement of hours and days of service as may be set by the employing authority at the time of appointment. For heads and deputies responsibilities must be set down in specific terms and incorporated into contracts of employment.

FOR FIRST REPLY TO MR RADICE

On Tuesday the Hon Gentlemen asked me not to dither but to set out the Government's position. Now he accuses me of being provocative. Is it provocative to announce that the Government is prepared to make funds available on a substantial scale for the teachers? Is it provocative to set out a pay structure that strengthens the career prospects of all teachers? Is it provocative to expect duties and conditions to be clearly set out in contracts so that teachers, their head teachers, parents, and LEAs all know where they are? . I simply do not believe that is the case. This dispute has been rumbling on for over two years and I believe I have acted today in the interests of the children and of the country.

Q. Why bother going to Nottingham?

A. I hope that Nottingham will take place. There are details, such as how the first 8.2% should be distributed, which have to be settled. I have not derailed Nottingham. What I have done is provide a solid framework for the negotiators. They can now go to Nottingham with the Government's position crystal clear - on the contractual duties; on conditions of service; on the pay structure; on the provision we will make for spending on teachers' pay; and on the levels of grant we will make available.

WHAT IF NOTTINGHAM DOESN'T SUCCEED?

I hope that there will be a successful outcome to Nottingham.

But whether or not Nottingham achieves a negotiated settlement, I must reemphasize that the Government's conditions will still have to be met if the extra money is to be paid. I am sure that the teachers want their extra money and I hope that the Nottingham negotiators will not stand in their way.

What if the two sides just ignore your statement? What if they come up with their own solution - a different structure, a different contract and at a cost beyond the one you have said you are willing to pay?

"If, if, if".... I have made clear the Government's position well in advance of the talks in Nottingham. There is time for the parties to look at my statement and to digest it. They must be clear that there will be absolutely no more resources made available. They must see that the Government has made possible big increases for teachers which will only be released if our conditions are met. They must recognise the Government's desire to see a much better career structure for teachers.

Q. You are going to destroy the rights of employer and employee to negotiate

A. Jumping ahead. It is quite clear that Burnham has broken down. The Government does not believe that any other negotiating committee in the immediate future will be successful. That is why I will be bringing forward a Bill to establish an interim committee, to advise me on the teachers' conditions of service and the structure of their pay.

Worse than Coventry?

Coventry was not, is not and never was going to be an agreement. Indeed since Coventry scale 3, scale 4 and senior teachers have made very clear their opposition to the proposed Coventry Structure.

My proposals provide for a real agreement with a real outcome - a contract, a pay structure and, in return for them, real pay increases.

How do you justify this phasing? You set up Main, you constrained the Committee in its terms of reference to have regard to continuing public expenditure restraint and affordability. Main did so and came out with 16.4% from 1 October 1986.

You are telling me that 16.4% over two years is a bad deal! That 8.2% this year on top of 7.4% already awarded since 30 March is a bad deal? Show me someone else who has had such a bad deal. An increase of 16.4% will take the average salary of teachers in England and Wales from £11,150 to £13,000.

But the increases will vary widely. By next October, teachers will have had an average increase of 25% over the two years.

This is a very good offer. Hence our phasing proposals moderate the cost to the taxpayer and ratepayer. 8.2% from this January and 8.2% from 1 October next year. We think that is a fair balance.

How much better off will the average teacher be?

In terms of broad averages, the average pay of a school teacher now is £11,150. By 1 January 1987 the average will be up to £12,060. By 1 October next year it will be up to very nearly £13,000. To give an idea of the range for classroom teachers; I envisage the lowest paid qualified teacher moving up from £6,400 to £7,600 while the senior teacher on the maximum of his scale will move from £15,300 to £17,500. But exact figures for individual teachers will only emerge from the negotiations. The setting of scales, the number of points on them, the way in which teachers will move from their current positions onto new scales - all of these things are for negotiation. Only then will we be able to say how much better off this or that teacher is.

How many extra promotions will there be and on what timescale?

There could be over 100,000 extra promotions over three years or up to 25 per cent of the teacher force. Some 40,000 would be in primary schools and some 60,000 in secondary schools.

What about the £2.4 billion?

Your figure, not mine. My statement sets out the cost.

Your big deal doesn't restore Houghton pay levels.

Nor should it. Past comparisons are irrelevant. As a question of fact, of interest to economic historians, in real terms - against the RPI - teachers are already back to Houghton levels thanks to the fact that we've brought inflation under control. The Houghton increase came at a time of hyperinflation and its real value was wiped out very quickly. This increase comes with inflation at 3%.

But you are insisting that teachers take part in appraisal and cover for absent colleagues.

Yes, and I believe the public will welcome it. As I understand it, everyone - unions, employers and Government - is for appraisal. What is at issue is how we introduce it and how we use it. That - again in accordance with an ACAS working party report endorsed in the Coventry heads of agreement - is to be examined in pilot projects which I hope will get under way in the very near future. As for cover, I need hardly remind you of the recent Court judgment that cover is a professional obligation of teachers.

I really do not believe that the general public will understand if the teacher unions portray any of this as worsening their members' conditions of service. These are far from onerous terms and are in any event no more than what the conscientious teacher has been doing already for many, many years. What we are doing is making crystal clear the extent of teachers' obligations. Without this clarity, and as we have seen over the last two years, head teachers cannot manage the schools effectively.

This was your chance to introduce differential pay for shortage subjects and merit pay for good performance. Why haven't you?

My proposals will generate some 100,000 extra promotions.

Why? Because that is what is needed to provide proper rewards for good teaching and acceptance of responsibility. It will also allow schools to attract teachers whose skill and qualifications are in short supply.

Look too at the greater discretion on starting salaries. Possible to come in above the £8,500 entry point proposed for trained good honours graduates.

You want the bogey words - merit pay and differential pay.

I want a good pay structure which will reward merit and enhance differentials.

Why not let the two sides complete their negotiations and then look at their conclusions? That was what the Government said it would do when it set up Main.

That is a recipe for even more drift. Sir Peter Main and his Committee kept to their tight timetable. They completed their report at the end of September. In England and Wales, on the other hand, all that we have beyond the Coventry heads of agreement signed by five of the six unions in July is an interim one-term agreement on cover. And we have not got the peace and calm in the schools that was promised. Look at the difficulties children are enduring in Birmingham, Inner London and Solihull because teachers still refuse to cover. And now we have the scandalous decision of the NAS/UWT to resume half-day strikes next week. We must bring this to a close: parents and children don't want the Government to wait and see. They want us to act. That is what we have done.

Why have you intervened at this stage?

To try to bring this long-running saga to a conclusion. Talks seem to have been going on forever. Still no end in sight. We were all told that Coventry was a historic agreement. But it was being re-written before the ink was dry; one union didn't sign and the rest quickly distanced themselves. In the middle of this month they put in a string of extra demands that add about 50% to the original Coventry cost. And NAS/UWT quite scandalously announced resumed disruption from next week. Can't go on like this. We want our children to receive a proper education without all this aggravation. We must have new contracts spelling out teachers' duties and conditions of service. We must have a sensible pay structure at a cost which the taxpayer and ratepayer can afford. That is what my intervention is designed to achieve.

Why have you waited so long to dump the Coventry structure?

The employers have known for a long time about my dissatisfaction with the Coventry structure - the long single scale, the compression of differentials, the absence of incentives. All of these flew in the face of the Government's objectives. Employers and unions have known all along what the Government wanted, namely a pay structure providing substantially more promotion opportunities for the better teachers to higher scales than are at present available combined with promotion arrangements and differentials designed to recruit and motivate teachers of the right quality across the whole range of school responsibilities.

How is it that you know better than the employers and the unions what is the right structure for the teaching profession? Let me quote an independent witness on the Coventry structure; the Main Committee. I quote from their report:

"We ... wondered whether a new management structure that further reduced the number of promoted posts at a time of contraction and that offered teachers so little prospect of further improvement in career earnings once they had reached the top of basic scale would be in the interests , either of the service or of individual teachers" (3.5 of Main Report).

They decided that it most certainly would not. I entirely agree.

But the 1300 hours do not appear in the Coventry heads of agreement.

No, but the 195 working days do. And I understand that the 1300 hours also featured until very late in the marathon negotiating session at Coventry. It is a figure which has long been held to by the employers as setting the period of time for which teachers must be under the direction of the head if the schools are to function effectively. It works out at an average of 33 and a third hours for the 39 teaching weeks of the year. Now, I am not going to pretend that that will be the end of the teacher's working day. Not all of the teachers' professional obligations can be fulfilled within the 1300 hours. They will discharge some of their responsibilities - such as preparation marking, report-writing and keeping abreast of their subjects and other educational developments - at a time and place of their own choosing. But when all this has been said, many people tied to their workplaces for 40 hours will be envious of the freedom which goes with a directed working week of just 33 and a third hours for just 39 weeks of the year.

Why are you reducing the scale maximum from £14,500 to £12,700?

The scale maximum is being increased. You should not compare it with the Coventry non-agreement. However, what philosophy should you bring to a pay structure for teachers? The Coventry philosophy was greeted with howls of outrage from teachers who had worked their way up and been promoted from scale 3, 4 and senior teacher. Indeed, so great were their protests that the unions had to go back to the employers and ask for more. But they wanted more on top of the £14,500. The country simply does not have that sort of money available. A choice has to be made. My choice is to follow the Main Committee; knock down the basic scale maximum; increase the number of promotion posts; and provide greater rewards for high quality performance, extra responsibilities and so on.

I can do no better than quote from the Main Report:

"We ... wondered whether a new management structure that further reduced the number of promoted posts at a time of contraction and that offered teachers so little prospect of further improvement in career earnings once they had reached the top of the basic scale would be in the interests either of the service or of individual teachers."

They decided that it would not. They were right.

Do you really think that the unions will be willing to negotiate into place worsened conditions of service for their members?

The Coventry heads of agreement said that:

"The basic contractual requirements of the jobs of teachers ... should be defined in accordance with the ACAS report on duties and responsibilities".

I have not plucked the list of 19 duties out of the air. You will find them in that report. You will find marginal reservations in the report too. They have provided the unions with a useful quarry for chipping away at Coventry. The NUT, for example, has said that:

"The definition of duties should go no further than the first six points".

That is intolerable. The Government's position is quite straightforward - we must clear up once and for all what it is that teachers are employed and paid to do. That means a clear and precise definition of duties incorporated into contracts of employment which the employers then enforce.

Will special school teachers keep their allowances?

Very important that we continue to recruit, retain and motivate good people for special schools. Exactly how that is best done and whether it should entail special allowances is one of the matters which needs to be examined at Nottingham in the light of my general proposals.

Will there still be an entry grade?

Teachers will enter the new scale at various points according to their qualifications and experience. But they will not be allowed to proceed by more than one incremental point until they have been appraised as satisfactory. And there will be arrangements for induction.

Will teachers be paid extra for their GCSE work?

Payment for special duties in connection with examinations is a matter between the examining boards, the local authority employers and the unions.

The teachers have succeeded where the NUM failed. They have beaten you and your statement concedes defeat and robs the unions of their rights.

No. The Government is intervening to sort out a mess in the interests of the children.

You are robbing from the lower paid teachers to give much bigger increases to the better paid ones. Aren't you courting further disruption in the schools?

We are not robbing anyone. You are again falling into the trap of talking about figures in a non-agreement. I fear for the teachers' chances at the court of public opinion if they dare to do even more damage to children's education in protest at a 16.4% pay offer.

Q. What framework have you given the Nottingham negotiators?

A. First - my statement endorses the legitimate expectations of the employers for clearer contracts spelling out teachers' duties, working hours and so on.

Second - it sets out the sort of salary structure - the pay scales and differentials - which the Government considers to be necessary if we are to recruit, retain and motivate teachers of the right quality.

Third - and in return teachers will get an increase on average of 16.4% by 1 October 1987. By that time they will have had an average increase of 25% over the two years to October 1987. This is the Government's final position on money and on terms and conditions.

It is the first and second which justify the third and on which the third depends.

Q. But you are saying: do the Government's bidding and, as a reward, we'll scrap you.

A. You are not going to defend the Burnham machinery? You'd be the first defender I've met. New machinery is needed. Everyone accepts that.

But are you offering as much as Coventry in the first year -
1986-87?

Yet again, the famous non-agreement. Under my proposals we will
be increasing planned expenditure by £118 million for the final
quarter of this financial year.

Copy N° 2 of 25



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Oddi wrth Ysgrifennydd Gwladol Cymru

The Rt Hon Nicholas Edwards MP

From The Secretary of State for Wales

30 October 1986

SECRET

Ken

NBM

ADDITIONS TO EXPENDITURE AND GRANT IN RESPECT OF TEACHER PAY: DIVISION BETWEEN ENGLAND AND WALES

Thank you for your letter of ^{at 11ap} 29 October confirming the understanding reached between our officials about the distribution between England and Wales of the additional resources for teachers' pay agreed at Misc 122. I am content with what has been agreed.

/ Copies of this letter go to members of Misc 122 and Sir Robert Armstrong.

✓ → a
Neil

The Rt Hon Kenneth Baker MP
Secretary of State
Department of Education and Science
Elizabeth House
York Road
London
SE1 7PH

EDUCATION Teachers' Pay PT8



Teachers' Pay and Conditions (Scotland)

4.55 pm

The Secretary of State for Scotland (Mr. Malcolm Rifkind): With permission, Mr. Speaker, I wish to make a statement about school teachers' pay and conditions of service in Scotland.

On 6 March this year I told the House that I intended to set up a committee of inquiry to examine the pay, conditions of service, and management of school teachers in Scotland. The Committee was asked to report by the end of the summer. I received the report towards the end of September and it was published on 2 October. I congratulate Sir Peter Main and his colleagues on the speed and thoroughness with which they have discharged a very difficult and important task.

At the core of the committee's report is a set of recommendations which the committee has suggested should be judged as an indivisible package. These relate to pay level and structure. The duties and conditions of service of teachers, staffing standards and negotiating machinery, I am pleased to be able to tell the House that, in general, the Government accept the asterisked recommendations as a package. I shall make the necessary resource provision, backed by additional rate support grant, to allow local authorities to implement in full the salary scales proposed in the report so as to settle teachers' pay for 1986-87 and 1987-88. This will be done on the following time scale — half the further increases recommended by Main will be paid from 1 January 1987, making an average increase of 8.2 per cent. from that date on top of the 5.5 per cent. interim increase paid from 1 April 1986, and the remaining half will be paid from 1 October 1987. Both stages would depend on the Scottish Joint Negotiating Committee reaching agreement on a settlement which provides for the full implementation of the asterisked recommendations on pay structure, duties and conditions of service. I must emphasise that my offer is entirely dependent on reaching such agreement, in that it cannot be increased and there can be no question of any part of these resources being made available other than on this basis. The size of the award and the burden that it imposes on the ratepayer and the taxpayer make it sensible to stage implementation, as has been done in the past with other awards of this kind.

My proposals would involve adding £14 million in 1986-87 and £60 million in 1987-88 to planned expenditure on education; this reflects the cost over and above the figures that I have already announced as the basis for rate support grant in 1987-88. Grant will be increased in those two periods by £8 million and £30 million respectively. That would represent a big pay increase for Scottish teachers; it is justified only by the benefits which the package as a whole will bring—the right kind of pay structure for Scottish schools, the necessary clarification of teachers' duties, which parents will find particularly helpful, and a more practical and realistic approach to teachers' conditions of service. In accepting these recommendations, the Government are making clear the importance that they attach to securing the future development of the education service and recognising the contribution that teachers make to our society.

There is one asterisked recommendation on which I will for the time being reserve the Government's position—the recommendation that an independent review body be

established to settle the pay and conditions of school teachers. That recommendation has major implications for the future and I wish to give it further thought before reaching a final conclusion on it.

I have concentrated in this statement on the asterisked recommendations which lie at the core of the Main committee's report. There are, of course, many other valuable recommendations—on the role and functions of head teachers, on the professional development of teachers, on the role of parents and on the more effective and economical use of resources within the school system. I intend to pursue all these matters vigorously in consultation with the education authorities and the other interests concerned.

Since August 1984 Scottish schools have suffered disruption as a result of the present teachers' dispute. The Main committee's report offers us an excellent basis not only to end that dispute but to offer our schools and teachers a positive way forward. This is a once and for all opportunity which must be seized with both hands. The Government are prepared to do their part even though the cost to ratepayer and taxpayer is high; now it is up to the teachers and the employers to do theirs. Meanwhile, I call upon the teachers' unions to call off their continuing boycotts of certain duties and to allow schools to function normally; the immediate resumption of normal working must, of course, be a feature of the agreement that I am asking the SJNC to reach. I am sure that the whole House will join with me in urging teachers and employers to reach speedy and full agreement along the lines I have indicated.

5 pm

Mr. Donald Dewar (Glasgow, Garscadden): By any standards, this is a serious statement which is central to the possibility of settling a long-running, unhappy dispute, and we should be dismayed indeed if the Government were to put at risk or worse still beyond reach, a just and honourable settlement.

The Minister says that the Government have accepted Main "in general". He will accept that that is an important qualification. He must agree that the report is presented as an indivisible package, an approach which the Government have urged upon teachers. Does the right hon. and learned Gentleman accept that he is taking a considerable risk in departing from the report's central recommendations on pay? Does he accept that, over this financial year and the next, his re-jigging of the financial timetable proposed in Main will have a significant impact on individual teachers and what they can expect? Does he accept my calculation that the new phasing would cost a teacher about 10 per cent. of his present salary during that period?

The newly proposed settlement involves the loss of 16.4 per cent. for three months from 1 October 1986 to 1 January 1987 with a further 8.2 per cent. in the nine months from 1 January 1987 to 1 October 1987.

I have not had a great deal of time to calculate the figures, but will the Secretary of State confirm that a teacher on a present salary of £8,000 can expect over the period from October 1986 to October 1987, to get about £800 less than he would have got if the Government had held to the Main timetable? The right hon. and learned Gentleman will recall that the Main committee put the cost of its recommendations on pay for the year 1987-88 at £144 million. What will the figure be for the revised package now before the House? I accept that the

[Mr. Donald Dewar]

Government have found a considerable sum, but is it right or prudent to depart from Main in this way? It is certainly a risk.

I ask the right hon. and learned Gentleman to consider whether it would be wise to discuss phasing with the local authorities—the employers who after all, have to bear a large proportion of the burden of any settlement. Will he confirm that the whole cost of any settlement will be eligible for rate support grant funding and that no authority will suffer penalties because it has spent above the guidelines simply as a result of any settlement that might be reached? In other words, will the guidelines be adopted to take full account of any increase in expenditure following from the teachers' pay settlement?

The Secretary of State will recall the important recommendation in Main, marked with an asterisk, calling for a radical review of overall staffing levels. Is he willing to tackle this matter positively? Teachers will want to know his attitude before they reach their decision.

Can the Secretary of State confirm that these revised proposals will be subject to the agreement of the SJNC—the agreement of the employers and employees. Will he assure the House that if, unfortunately, agreement is not reached on an acceptable package, there is no possibility of legislation to impose the conditions? Will he kill that fear stone dead? Will he make it clear that Main's rejection of that option is a rejection that he unreservedly supports? The Secretary of State's reservations are more than minor presentational changes. It would do no one any favours if those changes were hidden. The Secretary of State's reservations must be assessed by all interested parties. Our fervent hope is that this departure from Main will not fatally undermine the chances for a settlement. The Government have shown a measure of flexibility to put it kindly by departing from the central recommendations on pay in the Main report. I trust that they will not now take an unyielding, inflexible stand in the continuing search for a solution.

Mr. Rifkind: I thank the hon. Members for Glasgow, Garscadden (Mr. Dewar) for recognising that the teachers will be expected to make grave decisions in the weeks to come. It is important that they respond to the present situation in a measured way. The Scottish public—parents, and children—will expect the teachers to respond in a way which will allow our schools to function properly.

The hon. Gentleman asked a number of detailed points to which I shall respond. First, he asked me to give an assurance that local authorities would not suffer penalties as a consequence of any increased expenditure arising out of this settlement. I can confirm that that is so. Local authority funding provision will be increased to ensure that authorities will not suffer penalties.

The hon. Gentleman suggested that phasing should be subject to discussion as it is a new measure which I have announced today. The hon. Gentleman is quite right that this proposal has expenditure implications for local authorities. He will be the first to appreciate that local authorities will be saving resources as a result of phasing, so there will not be any marked additional expense.

The central question which the hon. Gentleman raised is whether it is reasonable that a major increase of 16.4 per cent. should be phased. The hon. Gentleman and the

House will be aware that, over the last few years, there have been numerous precedents with regard to phasing settlements in the public sector. The examples range from nurses, doctors, the police, the armed forces and dentists. Such groups have accepted phasing, especially when a settlement has been above the rate of inflation. It is right to make a reasonable recognition of the importance of ensuring reasonable levels of pay settlement in the country and in the public sector. I believe that reasonable people, including teachers, will accept that the proposed phasing is responsible and sensible.

I must point out to the hon. Gentleman that the phasing we are proposing will mean that half of the amount recommended will be paid from 1 January and the other half nine months later. That means that teachers will, during the course of 1986-87, have an increase in their pay, including the interim award agreed some months ago of almost 14 per cent., of a further 8.2 per cent., which will be given in the second stage. By any standards this is a generous proposal to the Scottish teaching profession.

Sir Hector Monro (Dumfries): I congratulate my right hon. and learned Friend on his response to the Main report. Does he accept that the provision of a 16.4 per cent. increase over a year and a 36 per cent. increase over three years is a triumph for the Government? Everyone in Scotland will expect the teachers to welcome this response with enthusiasm and to return to work as soon as possible and without any further argument. Does my right hon. and learned Friend agree that this decision proves that Tories care about education and are prepared to back that commitment with money?

Mr. Rifkind: I thank my hon. Friend for the welcome that he has given to this proposal. The emphasis of the Main recommendations and the Government's response is not simply concerned with pay but with the duties and responsibilities of teachers. I strongly believe—I trust that the public share my belief—that it is in the interests of the teaching profession that these matters should be considered as a single package, and that is what we have done.

Sir Russell Johnston (Inverness, Nairn and Lochaber): Does the Secretary of State accept that it must now be recognised that it was a fundamental mistake by the Government to wait for 19 wasting and damaging months before establishing an independent pay review? I associate myself with the congratulations given to Sir Peter Main.

Is the right hon. and learned Gentleman aware that the alliance regret the fact that the Secretary of State has been unable to reach a conclusion about an ongoing pay review as recommended in paragraph 58 of the Main report? It is not a new idea and I am surprised that the Secretary of State should suggest that it is. My hon. Friend the Member for Gordon (Mr. Bruce) and I argued it many times with the previous Secretary of State. Is the right hon. and learned Gentleman aware that we are angry and unhappy at the way in which he has departed from Main on pay? It is still not clear, from his answer to the hon. Member for Glasgow, Garscadden (Mr. Dewar), precisely what is the financial loss which emerges from this. However, it is incontestable that there is a loss. Surely it is unreasonable for the right hon. and learned Gentleman to depart from the indivisible package of the Main report and simultaneously require the full implementation from the

profession. Surely the right hon. and learned Gentleman would agree that that is a dangerous strategy and could well have the serious risk of teacher rejection.

Mr. Rifkind: The hon. Gentleman will be aware that the unions and local authorities have differing views on the question of an independent pay review. I believe that the announcement I have made today, that we wish to give further thought to the matter, will be widely welcomed. I listened to the hon. Gentleman's remarks on phasing with some interest because I did not hear his hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) raise any objection to phasing of the award proposed by my right hon. Friend the Secretary of State for Education and Science. If the Liberal party believes that it is reasonable and in the public interest for a major increase of 16.4 per cent. to be phased in the way proposed in England and Wales, I await with some curiosity to hear why it should be considered irresponsible north of the border.

Mr. Allan Stewart (Eastwood): Is my right hon. and learned Friend aware that his statement will be warmly welcomed by parents throughout Scotland and by all reasonable teachers. Against a background where, on my calculations, the average pay increase for Scottish teachers will be 30 per cent. over the three years to next October, will it not be regarded by parents as incomprehensible if disruption should now continue in Scottish schools?

Mr. Rifkind: My hon. Friend is right. On the basis of what I have announced today, more than 66 per cent. of teachers in Scotland, over two thirds, will be earning over £12,000 a year and nearly one third of teachers in secondary education will be earning more than £15,000 a year. [HON. MEMBERS: "When?"] By 1 October 1987. That is less than a year from now. That is in the context of an increase of 16.4 per cent. on top of the 5.5 per cent. they have already been awarded this year, which was on top of the 9 per cent. awarded last year. That will mean that over two to three years, teachers in Scotland will be seeing an increase in their salary of almost 30 per cent. My hon. Friend is right in saying that parents and the public in Scotland would be astonished if there was any suggestion of disruption in the schools as a consequence of an offer of that kind.

Mr. Bruce Millan (Glasgow, Govan): Is the Secretary of State aware that many of us felt that the Main report provided an excellent basis for a settlement for teachers' salaries and conditions in Scotland, preventing further disruption in schools? However, it is extremely misleading for the Secretary of State to say that he has accepted the asterisked recommendations as a package when the salary increase date of 1 October 1986 was a key recommendation in the report.

Is it not a fact that the phasing, far from being minor, will save about 10 per cent. of the annual salary bill over the next 18 months and therefore reduce teachers' expectations, as compared with Main, by about 10 per cent. of their annual salary? Is it also not a fact that if further disruption does unfortunately occur in Scottish education the Secretary of State will bear a major share of the responsibility for that, just as it was the Government's earlier intransigent attitude over the setting up of the independent pay review that caused so much hardship to Scottish education?

Mr. Rifkind: I will do the right hon. Gentleman the credit of saying that I do not think he believes in what he

is saying. I genuinely express the view that the right hon. Gentleman knows perfectly well that an award of 16.4 per cent. to teachers, with a nine-month gap between the two phases, is an extremely generous offer to teachers. He knows that the public, including his constituents, would be delighted if they were to receive such an increase. He also knows that there is ample precedent throughout the public sector for phasing of the kind I have proposed. If nurses, doctors, the armed forces and the police are able to accept phasing of that kind, I do not think that the right hon. Gentleman believes that it is unreasonable to expect teachers also to accept it.

Mrs. Anna McCurley (Renfrew, West and Inverclyde): I add my congratulations to the Secretary of State for the speedy response he has made to the Main report, which has obviously had far-reaching implications over the Scottish border. Would he care to emphasise the ring fence approach to the pay award and the fact that this does not constitute a signal that there can be a free-for-all for pay increases in the public sector?

Mr. Rifkind: That is the case. The pay that has been proposed, which is generous, is properly tied to the agreement by the teaching profession in Scotland, to the conditions and to other aspects of the non-pay package as recommended.

Mr. David Lambie (Cunninghame, South): I congratulate the Secretary of State on making a statement today as requested by John Pollock and the national executive of the Educational Institute of Scotland before the special general meeting of the EIS on 8 November and the subsequent ballot of EIS members. Those members will now be able to decide on the facts without being in the political vacuum that would have existed had the statement not been made.

If the Secretary of State is prepared to negotiate on the anomalies in the salary scales proposed by Main in the salaries committee, is he also prepared to negotiate on conditions of service within the conditions of service committee, which is unique to Scotland and has no counterpart in England or Wales, in order to allow the Scottish teachers to look at the conditions of service, or have the teachers to accept or reject the statement today as a package?

Mr. Rifkind: It would have to be the latter. It is clear that the 16.4 per cent. pay increase is quite properly tied to the other proposals in the report. There may be other matters in the report which are not given the same importance and which may be subject to discussion of the kind to which the hon. Gentleman refers.

I thank the hon. Gentleman for the early part of his question in which he made the fair point that it is reasonable that teachers, when they consider their response, should be aware of the fact that the Government are prepared to fund the report and that we are prepared to devote substantial new resources to it and ensure that local authorities are able to cope with it without any increase in penalties. The hon. Gentleman's contribution, like that of the shadow Secretary of State for Scotland, recognised the important matter we are dealing with and the fundamental consequences for parents and education in Scotland if this offer does not lead to a resolution of this difficult problem.

Mr. John Corrie (Cunninghame, North): I also warmly congratulate my right hon. and learned Friend on the

[Mr. John Corrie]

statement. I assure him that parents throughout Scotland will be delighted. May we now expect that an agreement will have to be reached by 1 January, or will talks go on beyond that date and the backdating of pay take place if an agreement has not been reached?

Mr. Rifkind: As long as an agreement has been reached at some stage on the basis that has been proposed, that agreement will be backdated to 1 January.

Mr. Willie W. Hamilton (Fife, Central): Why does it need the imminence of a general election to loosen the public purse strings? Can the right hon. and learned Gentleman give an assurance that this package, even if accepted, will lead to the diminution of the drain of science teachers to industry?

Mr. Rifkind: The hon. Gentleman raises two points. First, his timescale about elections is somewhat misplaced. The Government's response arises from the Main inquiry, which was announced nine months ago. We could not respond to the Main inquiry until it had reported, which it did at the beginning of October. Therefore, by all normal criteria, we responded pretty quickly. I am sure that the hon. Gentleman will respond to that in his usual generous way.

On the question of science teachers and others of that kind, one of the crucial ingredients of the package proposed by Main and accepted by the Government is that, for the first time for several years, teachers who acquire real responsibility in their schools are being offered substantial salaries. For example, a headmaster in one of Scotland's largest secondary schools will be able to expect to receive a salary of about £28,000 per year. At lower levels, salaries are substantially greater than teachers have been able to expect in recent years. If we are anxious to attract people of real ability to the teaching profession, we now have a far better means of doing so than we have had for some time.

Mr. Alexander Pollock (Moray): Bearing in mind that it was my right hon. and learned Friend who set up the Main committee to try to find a solution to this long-running and unhappy dispute, and mindful of the maxim that he who wills the end must will the means, does my right hon. and learned Friend agree that nothing could be worse than a grudging response from the Government at this stage?

Therefore, will he assure the House that, irrespective of the forthcoming autumn statement and other matters of concern to the Treasury, the money is firmly up front and remains on the table, subject only to the teachers having the good sense to accept this package and return to normal working in the classroom?

Mr. Rifkind: I can confirm that. However, if the proposals were to be rejected, there is no way that one penny of additional resources would be made available. That is clearly the view, not just of the Government but of local authorities. The Convention of Scottish Local Authorities has said that it is not interested in a pay settlement which deals with pay alone. The Government and Scottish local authorities speak with a single voice on this.

Mr. Gordon Wilson (Dundee, East): Is it not the case that the Secretary of State lost the battle in Cabinet and

is unwilling to deliver the pay proposals in the Main report? Does he remember saying to the Scottish public, through the medium of the press, that he regarded the Main report as a distinctive entity which should be delivered? Is he not jeopardising our children's education by gambling in that fashion?

Mr. Rifkind: For the hon. Gentleman to suggest that the announcement today of a 16.4 per cent. pay increase for teachers represents—[HON. MEMBERS: "It is not."] I am sorry, it does represent a 16.4 per cent. increase for school teachers. Whether phased or not, it is an increase, similar in nature to phased increases for other groups in the public sector. For the hon. Gentleman to suggest that that represents anything other than an excellent offer for the teaching profession in Scotland is extraordinary and misguided.

Mr. Michael Forsyth (Stirling): Does my right hon. and learned Friend agree that many parents who have suffered the effects of the disruption will view these increases as fabulous? As my hon. Friend the Member for Eastwood (Mr. Stewart) pointed out, the increases amount to about 30 per cent. Is it not remarkable that few Opposition Members will go back to their constituencies and urge teachers to accept it? How can they possibly go back to their constituencies and expect to be treated as though they have been behaving responsibly if their only response to this settlement is to carp and to whine as they have done today?

Mr. Rifkind: My hon. Friend is right. It is an extremely generous settlement. The estimated average salary of a teacher in primary education will be £12,300 and it will be £13,745 for a secondary school teacher. If one compares that to the salary levels of two years ago, there will be few people among the general public who will see this as anything other than an extremely generous proposal.

Mr. Hugh Brown (Glasgow, Provan): Many of us recognise that it could not have been easy for the Secretary of State for Scotland and his right hon. Friend the Secretary of State for Education and Science to screw this settlement out of the Treasury. Nevertheless, I remind the right hon. and learned Gentleman that the whole ethos of the Main report gave full recognition to all the problems which have been confronted by Scottish teachers over the past two years and, while not justifying the disruption, could understand it. I appeal to the Secretary of State to take a less aggressive approach, and not to threaten the teachers that if they do not accept this in total there will be no money at all on the table.

Mr. Rifkind: It is a curious threat to offer a 16.4 per cent. pay increase. As the hon. Gentleman's introductory comments recognised, the offer involves a substantial increase in demand on public resources. He is correct to say that phasing was not recommended by the Main report, but he will be one of the first to appreciate that the Government have a responsibility not only for the teaching profession, but to try to ensure that public sector pay negotiations generally, as well as other matters which affect the wider economy, are taken into account.

It is not unreasonable to say that a massive increase such as this should be phased over a short period, just as it would be for others in the public sector. The Government propose 8.2 per cent. from 1 January and the other 8.2 per cent. nine months later. That is not an absurd

degree of phasing extending over two, three or four years. It will ensure that the full award recommended by the Main report will be available to all Scottish teachers within a short period. The vast majority of teachers will accept that that is not unreasonable given the situation affecting the wider community.

Mr. Albert McQuarrie (Banff and Buchan): I associate myself with the initial comments of the hon. Member for Cunninghame, South (Mr. Lambie) that the remarks of my right hon. and learned Friend the Secretary of State this afternoon will give considerable satisfaction to John Pollock and his executive in the Educational Institute of Scotland. Does my right hon. and learned Friend agree that it is deplorable that some members of the EIS, and other unions in Scotland, have decided to condemn the Main report before Mr. Pollock and his executive have had a chance to consider it in a responsible manner as they have done since the Main report was published?

Mr. Rifkind: It is regrettable that some individuals believe that they should receive massive pay increases and not accept their responsibility to respond to the other matters recommended by the Main report. I am sure that that is not the view of the vast majority of Scottish teachers, who know that most of the non-pay recommendations with regard to a new contract represent what they currently do in normal circumstances—for example, curriculum development, the presentation of pupils for examinations, and the various other duties suggested by the Main report. None of those will impose a new burden on the teaching profession. I was interested to learn that some leading members of the EIS had been seeking to explain that to their fellow members during the last few days. I hope that they are successful in their effort.

Mr. Ernie Ross (Dundee, West): Given that the asterisked comments in the Main report will have serious consequences for the teachers, does the Secretary of State think that it is more likely that teachers would feel inclined to accept the conditions from their employers, rather than having a gun put to their heads by the Secretary of State before they had had a chance to discuss them with their employers?

Mr. Rifkind: The Government are providing not a gun but money, which ultimately must be paid by the taxpayer, and, through the local authorities, by the ratepayer. The EIS and others have been anxious to hear the Government's view. They have said that they wish to know whether the Government would be prepared to fund the consequences of the Main report's recommendations. I have confirmed today that we shall be able to do just that. That should now lead to a speedy response from the teachers and full endorsement of the proposals put forward.

Mr. Michael Hirst (Strathkelvin and Bearsden): I assure my right hon. and learned Friend that his announcement will be warmly welcomed by my constituents who will join me in congratulating him and his ministerial colleagues on their sustained efforts to promote peace and stability in Scottish schools. Does my right hon. and learned Friend agree that the public and the parents, who will finance this deal, are entitled to expect that the leaders of the teaching profession will make a positive response when they meet next week and recommend their members to accept the proposals set out

in the Main report, and return to normal working conditions as soon as possible? Can my right hon. and learned Friend tell me what the position is about the disregard for local authorities in respect of the 5.5 per cent. interim award paid for the current year?

Mr. Rifkind: I have not commented on my hon. Friend's final point, but I am able to confirm that there will be a disregard with regard to the consequences of the 5.5 per cent. interim award announced earlier this year. Therefore, no local authority will attract penalties as a consequence of that earlier award.

Parents and the public would find any further disruptions in the schools incomprehensible. I think that it would be fair to say that the House would also find it incomprehensible. Whatever reservations hon. Members may have about phasing, few would wish to argue for a return to disruption by teachers in Scotland.

Mr. Dick Douglas (Dunfermline, West): Will the Secretary of State bow a little to the reality of what is happening in the schools? When the Main report was issued its starred recommendations were treated as an indivisible package and the Main proposals on salaries were immediately circulated in the schools. I think that the right hon. and learned Gentleman will accept that he has moved away from those recommendations and, whether he supplies the figures or not, what will now be circulated in the schools will be the moves, which he thinks are small, but which we think are substantial from the Main recommendations.

We are all concerned about the atmosphere in the schools and, by moving away from Main in his statement today, no matter how little, the right hon. and learned Gentleman is conditioning an atmosphere against the Main proposals. *[Interruption.]*

The hon. Member for Aberdeen, South (Mr. Malone) sits muttering on the Front Bench, but he knows nothing about it. I speak as the husband of a teacher and the father of a teacher.

I challenge the Secretary of State to publish the difference between what he is proposing and Main. Does he accept starred proposal No. 8 because that has implications for the management of the school and the position of the head teacher?

Mr. Rifkind: Yes, we accept the recommendations for head teachers, which seem to be sensible. If the hon. Gentleman is the husband of a teacher who is likely to receive a 16.4 per cent. increase over the next few months, he should have responded in slightly more cheerful tones than he seems to feel capable of. If the hon. Gentleman asks his constituents whether it is reasonable or unreasonable to phase a 16.4 per cent. pay increase over a period of months, I think that he will find that few of them would not like to be in the position of being offered such a pay increase. The hon. Gentleman should take that into account.

Mr. Nicholas Fairbairn (Perth and Kinross): Will my right hon. and learned Friend modestly accept the claim that it is due to his sensitive, sophisticated and almost singular initiative that this intractable dispute was solved at all, and solved not only for Scotland but for England? Will he remind the House that the teaching profession refused to negotiate on conditions of service and that for them now to say that they object to the phasing of the pay

[*Mr. Nicholas Fairbairn*]

claim and to try to put in the dark the far more important review of conditions of service and teaching would be a betrayal of the initiative with which he has served the teaching profession, the parents and the children so well?

Mr. Rifkind: I thank my hon. and learned Friend for his remarks. I genuinely believe that the vast majority of people in Scotland will see the Government's response as an extremely generous one, guaranteeing, as it will, the implementation of a major pay increase, and, indeed, expecting from teachers no more than what the vast majority of good teachers already do in normal circumstances. That is the context in which it should be judged.

Mr. Jim Craigen (Glasgow, Maryhill): The Main committee costed its pay package at £90 million in 1986-87 and £144 million in 1987-88. As a result of the Secretary of State's tampering with the phasing of the funding, how much will it cost in those financial years? Will the Secretary of State rule out legislation?

Mr. Rifkind: The hon. Gentleman should recall that the Main committee's estimate of the cost included the 5.5 per cent. interim award that was announced earlier this year and that reduces the cost of Main from £144 million to £113 million. In addition to that, there is the 3.75 per cent. increase in the budget which the Government allowed for in determining the rate support grant for next year which reduces the cost of £144 million to £87 million. In addition, there are the resources that I announced in my statement earlier. It is only by taking all those factors into account that a proper comparison can be made.

Mr. Tony Marlow (Northampton, North): One of the worst things that can happen to a child in Scotland, as in the rest of the kingdom, during its education is that it should fall under the tutorship of one of the small minority of bad teachers. What action is my right hon. and learned Friend taking within the package to ensure that we can get rid of bad teachers?

Mr. Rifkind: There is no specific proposal within the package, but the Main report said that it had come to the conclusion that the present complicated procedures that are required to be fulfilled before a bad teacher can be dismissed needs to be modernised so that the rules governing teachers should be closer to those governing all other employees. That requires further consultation and consideration and does not form part of the specific package announced today.

Mr. Charles Kennedy (Ross, Cromarty and Skye): Will the Secretary of State concede that, in the critical days ahead when the Scottish teachers deliberate and ballot on the report in the context of his response on behalf of the Scottish Office, trust is essential? The right hon. and learned Gentleman has taken an enormous political gamble in saying that the package remains indivisible in relation to the full implementations of an agreement and conditions while seeking to divide that package with the phasing of the pay award.

Will the right hon. and learned Gentleman finish the critical sentence in his reply to the question from the hon. Member for Glasgow, Maryhill (Mr. Craigen) when he came to the inbuilt costs or losses associated with his

announcement on phasing today? He could not have made that statement unless the Scottish Office has done the costings. What is the net loss?

Mr. Rifkind: I said in my original statement that the added provision for 1987-88 is £60 million. I cannot give the exact figure immediately, but one would have to incorporate that in the figures that I announced earlier to work out the difference between what Main announced and the figures that I have given. As I mentioned earlier, the cost that Main announced of £144 million comes down to £113 million because of the interim award and down to £87 million because of the provision that we have already made in the rate support grant. I shall have to check, but it would appear that, given the £60 million that I have announced today for 1987-88, there will be a difference of £27 million for 1987-88.

Mr. Dennis Canavan (Falkirk, West): Does the Secretary of State recall that when he first set up the so-called independent inquiry earlier this year some of us had our doubts about how much an inquiry could be truly independent if its findings were to be subject to the financial straitjacket of Government economic policy? Now that our fears have been realised by the Secretary of State's deplorable failure to deliver the salary timescale recommended by Main and Main's statement that his report is an indivisible package, does the Secretary of State realise that the only honourable course open to him is to go back to the Prime Minister and the Chancellor of the Exchequer and tell them to come up with a fairer deal for Scottish teachers? Otherwise, there will be a real risk of a continuing crisis in Scottish education for which the Secretary of State must bear full responsibility.

Mr. Rifkind: The hon. Gentleman should not get carried away with that sort of hyperbole. He knows perfectly well that a 16.4 per cent. pay increase, half paid in January and the other half nine months later, is a superb offer for teachers. He knows perfectly well that he would be acting in a grossly irresponsible way if he sought to suggest that any reasonable person would reject such an offer. I know that the hon. Gentleman finds it difficult to be responsible, but he should try occasionally.

Mr. Tom Clarke (Monklands, West): Will the Secretary of State come clean with the House and with the teaching profession by stating clearly how much has been saved by postponing the first phase of the pay increase from October to January and by phasing the rest of it?

Will the Secretary of State also explain to the House and to the teaching profession, the members of which must consider their monthly salary in contrast to the enthusiasm that we have heard from Conservative members, why the Cabinet accepted the Treasury recommendation as against the Main recommendations, themselves considerably diluted? Why has the Secretary of State underestimated the intelligence of the teaching profession and of parents?

Finally, why should teachers have faith in the Secretary of State when he refuses to accept the central recommendation of ensuring that there is an independent pay review body to deal with these matters?

Mr. Rifkind: The teaching profession should have faith in what I have said because, as a result of the Main inquiry which I set up earlier this year, teachers are now being offered a 16.4 per cent. pay increase. If that is not a major step towards ensuring peace in schools, it is difficult to imagine what would be.

The hon. Member for Monklands, West (Mr. Clarke) questioned why the first phase of the pay increase will be paid on 1 January. The Government and the Main report make it clear that such a high pay increase can be justified only by a return to normality within schools. It is equally true that, at this time, there is no normality in schools. There is no curriculum development or parental liaison and in many areas of school life teachers have declined to behave normally. Even if the result of the ballot is what we hope—in favour of the resolution of this issue—it is unlikely that the Scottish Joint Negotiating Committee will ratify this agreement much before the middle of December. Therefore, it is reasonable that if the proposals are approved and ratified, the increase should date from 1 January 1987.

Dr. Norman A. Godman (Greenock and Port Glasgow): The Secretary of State has not answered the question asked by my hon. Friend the Member for Monklands, West (Mr. Clarke). As with all negotiations involving terms and conditions of employment, concessions must be made by employers and employees. However, if the teachers have an answerable case, as Main has said, for pay increases now, why are the Government not implementing the award from 1 October, as Main recommended?

Mr. Rifkind: I have just answered the hon. Member for Monklands, West (Mr. Clarke) and explained why 1 January is a far more relevant date, given that there is no normality in the schools and that there will not be until the Scottish Joint Negotiating Committee ratifies the award.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I understand that the Secretary of State has said two things this afternoon. First, the difference between the Secretary of State's proposals and the Main proposals is approximately £27 million. He is sacrificing the indivisible Main package for £27 million. Secondly, can he confirm that his statement will mean that, during the next 12 months, Scottish teachers will suffer a 10 per cent. loss compared with what they would have received had Main's proposals been implemented?

Mr. Rifkind: The hon. Gentleman should realise—I believe that he does—as his colleague the hon. Member for Berwick-upon-Tweed (Mr. Beith) realises—

Mr. Kirkwood: It is irrelevant.

Mr. Rifkind: No, it is not irrelevant. It would be gravely irresponsible, at a time when inflation is as low as it is, for any Government to implement a pay increase of 16.4 per cent. The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) must realise, as some other hon.

Members certainly do, that since in earlier pay settlements phasing has been a natural part of the process, the modest phasing that is proposed here is acceptable. It is not just a matter of £27 million, although the hon. Gentleman is correct to say that that is the sum involved over the year in question. It is also important to ensure that teachers are not considered as living on the moon, separate from other people engaged in wage negotiations.

The hon. Member for Roxburgh and Berwickshire can have no interest in an escalation of wage claims. That is why, in many previous cases in the public sector and elsewhere, when a major pay increase has been considered reasonable and responsible, most responsible people have accepted that a phasing of the increase is not unreasonable.

Mr. Marlow: On a point order, Mr. Speaker. This is further to the point of order that I raised previously. I believe that it is a substantial point of order.

We had a statement on education in England, which lasted for about 46 minutes. Various English Members of Parliament were not called. I make no complaint about that because I got my question in anyhow on the Scottish statement. We had questions on the Scottish statement for 49 minutes. If we take a minute out of that for myself, that leaves 48 minutes. That is two thirds of a minute for every Scottish Member and less than a tenth of a minute for every English Member. It seems that the Scottish Members get a better crack of the whip than the English Members.

Speaking as an English Member, and knowing that you are an Englishman, Mr. Speaker, I wonder whether in future weeks and months some consideration could be given to the matter so that some of my English colleagues—not myself, because I know the problem that faces you—do not consider themselves as second-class Members.

Mr. Gordon Wilson (Dundee, East): Further to the point of order, Mr. Speaker.

Mr. Speaker: I do not think it will help.

Mr. Wilson: If Scottish statements were taken first and were followed by English statements, Scottish Members would be very pleased.

Mr. Speaker: May I say to the hon. Member for Northampton, North (Mr. Marlow) that I allowed 50 minutes, which is by any standards a long time for a statement, on the first statement and rather less for the Scottish statement. The hon. Member can do his arithmetic. It would be absolutely marvellous from the point of view of the Chair if I could satisfy every hon. Member every day. Unhappily, that is not within my power. I simply try to be as fair as I can.

Orders of the Day

Financial Services Bill

Lords amendments considered.

Clause 1

INVESTMENTS AND INVESTMENT BUSINESS

Lords amendment No. 1, in page 2, line 1, leave out subsection (2) and insert—

"(2) In this Act "investment business" means the business of engaging in one or more of the activities which fall within the paragraphs in Part II of that Schedule and are not excluded by Part III of that Schedule."

5.45 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Michael Howard): I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Speaker: With this, it will be convenient to take the following Lords amendments: No. 2, in page 2, line 8, after "business" insert "maintained by him"

No. 3, in page 2, line 9, leave out paragraph (b) and insert—

"(b) engages in the United Kingdom in one or more of the activities which fall within the paragraphs in Part II of that Schedule and are not excluded by Part III or IV of that Schedule and his doing so constitutes the carrying on by him of a business in the United Kingdom."

No. 32, in clause 30, page 19, line 27, after "business" insert "maintained by him")

Mr. Howard: As this is the first group of amendments to be discussed, and especially as it is the first group of several which deal with the scope of the Bill, it might be appropriate if I made some general comments before coming to the substance of the amendments under consideration.

Many amendments have been made to the Bill. I wish that it had been possible to keep the number rather smaller, although I must immediately add that many of the amendments are technical. However, the number and variety of amendments fulfils a promise we have made throughout the proceedings on the Bill that we would listen carefully and with an open mind to representations put to us and would not hesitate to introduce amendments where a case was made out.

The Bill is highly technical and it ventures into previously uncharted legislative territory. We would have been severely criticised, and justly so, if in those circumstances we had not listened to representations.

I would not wish my introduction to suggest that the Bill is, or is intended to become, fundamentally different from the Bill that was introduced 10 months ago. The basic regulatory structure remains unchanged because we believe that it is the right structure. But the Bill has benefited from extensive consultation on detailed structure and on technical points.

We have received several representations about the scope of clause 1. The anxiety that has been expressed about the definition in clause 1 was that a person engaging in some business wholly unconnected with investments might be regarded as carrying on investment business, and

hence be required to be authorised, by virtue of entering into a single investment transaction. That would clearly be absurd. As it happens, it would not be the result of the clause as originally drafted. But on such a matter, it is clearly important that there should be as little room for doubt as possible.

Amendment No. 1, therefore, makes it clear that a person who engages in investment activities from a permanent place of business in the United Kingdom will be regarded as carrying on investment business in the United Kingdom only if his investment activities taken on their own, in isolation from any other activities and from any activities excluded by virtue of part III of schedule 1, could be regarded as amounting to carrying on business.

Amendment No. 3 makes it clear that a person who does not carry on investment activities from a permanent place of business in the United Kingdom will be regarded as carrying on investment business here only if he engages in the United Kingdom in one or more investment activities which are not excluded by parts III or IV of schedule 1 and, in so doing, may be regarded as carrying on a business in the United Kingdom. These amendments will, I believe, remove any remaining doubts about the effect of the clause.

Amendments Nos. 2 and 32 make it clear that the references to a "permanent place of business" in clause 1(3)(a) and clause 30(2) refer to a permanent place of business maintained by the person in question. Without this clarification it might be argued that an overseas person who engaged an agent established in the United Kingdom to enter into investment transactions for him could be regarded as entering into those transactions from a permanent place of business in the United Kingdom. This would mean that the exclusions in part IV of schedule 1 would not apply, although the arrangement I have described is one which they were designed to cover. Once again, it seems preferable to put the matter beyond doubt by the amendments.

Mr. Bryan Gould (Dagenham): I am grateful to the Parliamentary Under-Secretary for his general comments. As this is the first group of amendments, I shall follow suit. We are confronted with a most unusual position. We have before us a list covering 581 Lords amendments, comprising 136 printed pages. It is fair to say, as the Minister has, that many of the amendments are of a technical and consequential nature and that others arise because of commitments given in earlier proceedings. However, the fact remains that we have great difficulty, not only because of the sheer volume of the amendments, but because of the timing.

The Lords completed their procedures only earlier this week. The simple exigencies of printing, and so on, have meant that we have seen the amendments in their marshalled form for only 24 hours at the maximum. Although the Minister is well able to handle the volume of material, since, one assumes, he has had a hand in preparing it, a great burden is placed on other hon. Members. I immediately pay tribute to the efforts that the Minister and his Private Office have made over the past months to try to keep the Opposition Front Bench in touch with what has been going on. That has been helpful.

However, I think of other Government and Opposition hon. Members who will find it an almost superhuman task to try to winnow out from this immense volume of material what is important and what is not. It is all very

Teachers' Pay and Conditions

4 pm

The Secretary of State for Education and Science (Mr. Kenneth Baker): With permission, Mr. Speaker, I wish to make a statement about schoolteachers' pay and conditions of service in England and Wales. For more than two years the local authority employers and the teacher unions have been negotiating about school teachers' pay and conditions. During this time the education of the children in our schools has been repeatedly disrupted. The children have been the victims. The local authorities and teacher unions sought help from the Advisory Conciliation and Arbitration Service because they were unable to reach a settlement within the Burnham committee. Limited progress has been made as a result of ACAS's work. Some "heads of agreement" were negotiated at Coventry in July, but little has been achieved since then. Now, scandalously, further disruption is threatened. A further negotiating meeting is planned for 8 November at Nottingham. I must make the Government's position clear.

We now also have the Main committee's report about pay and conditions of service for schoolteachers in Scotland. My right hon. and learned Friend will shortly make a statement giving the Government's response to that report. The Government regard the recommendations in that report relating to the teachers' pay structure, and to their duties and conditions of service, as well judged. We consider that similar arrangements should be adopted in England and Wales, although existing differences in practice mean that it is not appropriate to seek to apply the Main committee's findings in their entirety to England and Wales. I am therefore writing today to the chairman of the Burnham committee's management panel explaining the additional resources the Government are willing to make available for teachers' pay in England and Wales and spelling out our conditions for releasing those resources. I have placed a copy of that letter in the Vote Office.

The Government will make additional resources available only when two very important conditions are delivered. First, there must be a pay structure with differentials which reflect the varying responsibilities of teachers and the need to recruit, retain and motivate teachers throughout the school system and at all stages of their careers. The pay structure envisaged at the Coventry meeting in July does not meet this condition. A structure more in line with the recommendations in the Main committee's report is necessary, and I have set out such a structure in the letter which I have put in the Vote Office. All teachers will receive higher pay, more than half of them on promoted posts reflecting varying responsibilities. The crucial importance of head teachers, who carry the biggest responsibilities, will be recognised.

The second condition is that teachers' professional duties must be more sharply defined and clarified, leaving no room for ambiguity about their duties, and this must be carried through into enforceable contracts of employment. Contracts and conditions of service must be brought into line with the 19 points under discussion at the Coventry meeting. In particular, schoolteachers should be under an express contractual obligation to cover for absent colleagues and to be available to work at the

direction of head teachers for 1,300 hours over 195 days each year. All this is set out in more detail in the letter I have placed in the Vote Office.

In return for delivery of these conditions, teachers' pay would be increased in two instalments. The first instalment would increase average schoolteachers' pay by 8.2 per cent. from 1 January 1987, and the second instalment would be a further 8.2 per cent. from 1 October 1987. These two instalments would cover the full percentage increase in average schoolteachers' pay implied by the Main committee's recommendations. This would settle teachers' pay for 1986-87 and 1987-88. The increase of 8.2 per cent. from 1 January means that teachers' pay will have increased by over 16 per cent. since 30 March of this year. Teachers will have had an average 25 per cent. increase over the two years to October 1987. This means that a good honours graduate in his third year would receive after two years of teaching £10,000, an increase of about 20 per cent. The head of the largest comprehensive would get an increase from £26,250 to £30,500. I want to emphasise that these increases are only justified by the fundamental change in the terms, conditions and structure of the service which must accompany them.

If, and only if, these conditions are met are the Government prepared to add £118 million in 1986-87 and £490 million in 1987-88 to planned expenditure on education in England and Wales. Education grant-related expenditures would be increased accordingly. Block grants to local education authorities would be increased by £56 million in 1986-87 and £200 million in 1987-88. The cost of these increases would have to be shared by taxpayers and ratepayers. We estimate that rates would increase by between 2 per cent. and 4 per cent., compared with the decisions that local authorities would otherwise have taken.

I hope that the meeting at Nottingham will accept the position I have outlined. I look to the employers and unions to act quickly and positively. I must make it clear that the matter must now be resolved on all the terms and conditions I have set out. The Government will not be prepared to amend them further, or to make any additional resources available.

Now let me turn to the future. Over the last few years it has become widely accepted that the present negotiating machinery should be replaced. The Government therefore intend to repeal the Remuneration of Teachers Act 1965 and to bring forward proposals to this House for new machinery which will involve an interim committee to advise the Secretary of State on conditions of service and the distribution of pay within the resources available at the appropriate time.

The Government are making these proposals in the interests of the whole country. I believe that they will be seen as fair, and continued disruption will be seen to be unforgivable in these circumstances. My proposals constitute a very special offer for very special people, and when I say "special people" I mean the children of our nation.

4.9 pm

Mr. Giles Radice (Durham, North): Does the Secretary of State accept that parents have a right to know why, if money is now available for teachers' pay, it was not available two years ago? Is it not the case that all the

[Mr. Giles Radice]

disruption, turmoil and damage of the prolonged teachers' dispute could have been avoided if the Government had come up with this kind of money in 1984?

Parents will also want to know how today's statement will help to improve standards. Why is there nothing in today's statement about the need to reduce the size of classes, to give time for preparation of lessons and to provide more opportunities for in-service training? All these issues were constructively and imaginatively dealt with by the employers and the teachers' unions in the Coventry agreement, which the Secretary of State has completely ignored.

But perhaps the most important question of all is this: will today's announcement improve the chance of a settlement next week at Nottingham, or will it make it harder? Is it not a fact that the Secretary of State is making almost impossible demands on the negotiators by imposing new conditions on the pay structure at this, the eleventh hour? I have to warn the Secretary of State that parents will not forgive him if his intervention today, with its hectoring tone, its last-minute demand for changes in the pay structure and its threat of an imposed solution, undermines next week's negotiations and scuppers the prospects for lasting peace in our schools?

Mr. Baker: May I begin by congratulating the hon. Member for Durham, North (Mr. Radice) upon his re-election to the shadow Cabinet. I refute completely his suggestion that a settlement could have been reached at any time during the last two years. The plain fact of the matter is that under the existing Burnham machinery there have been constant negotiations which have produced no settlement and that during the course of the last two years there has been disruption in our schools. The children of our country are entitled to uninterrupted education.

The hon. Gentleman asks how this will improve the standards of teaching and quality in the classroom. He will see from the letter that I have placed in the Vote Office that we are proposing five promotion posts on the basic scale ranging from an extra £900 to an extra £4,800. Those promotion posts recognise the quality of classroom teaching and mean that secondary teachers will go to an upper level, if they are worth it, of £16,500 and £17,500. The hon. Gentleman also asked about Coventry. Perhaps I could remind him about what the Main committee said. It said:

"We . . . wondered whether a new management structure that further reduced the number of promoted posts at a time of contraction and that offered teachers so little prospect of further improvement in career earnings once they had reached the top of the basic scale would be in the interests either of the service or of individual teachers."

The hon. Gentleman accused me of intervening and of trying to wreck the Nottingham negotiations. I hope that the Nottingham meeting will take place because details about such things as how the first 8.2 per cent. should be distributed have to be settled. I have not derailed Nottingham: I have provided a solid framework for the negotiators.

The hon. Gentleman also accused me of intervening at the eleventh hour. I remind him that at Question Time on Tuesday he accused me of dithering. Now he accuses me of being provocative. Is it provocative to announce that the Government are prepared to make substantial funds available? Is it provocative to set out a pay structure that

strengthens the career prospects of all teachers? Is it provocative to expect duties and conditions to be clearly set out in contracts so that teachers, head teachers and local education authorities know where they are? That is not being provocative. This dispute has been rumbling on for over two years. I have acted today in the interests of Britain's children.

Mr. Harry Greenway (Ealing, North): Can my right hon. Friend tell us how this excellent deal for the average teacher compares with the pay that such a teacher received when the Government came to office in 1979? Can he also tell us how that compares with the pay in 1975 under the last Labour Government? Will he accept that the parents and teachers in Britain expect no less than that the unions and the Labour party and all who, like the Conservative party, have the interests of children at heart will support this award, which will give our children the best education that we possibly can?

Mr. Baker: I am grateful to my hon. Friend for his support. I will write to him about the exact comparisons between 1975 and 1979 for the average teacher. In broad averages, the pay of a school teacher now is £11,150. By 1 January 1987, the average will be up to £12,060. By 1 October next year, it will be up to almost £13,000. I envisage that the lowest paid qualified classroom teacher will move up from £6,400 to £7,600 while a senior teacher on the maximum of his scale will go up from £15,300 to £17,500. Exact figures for individual teachers will emerge from the negotiations.

Mr. A. J. Beith (Berwick-upon-Tweed): Is the Secretary of State aware that most teachers and parents are sick to death of this dispute? If he is able to secure agreement on the general lines of this package he will receive plenty of thanks. However, he will get no thanks if he blows it by leaving no room for discussion with the local authorities or the teachers' unions.

The Government are now willing to listen to an independent inquiry, even though it was purely for Scotland, and to put more money on the table. Why on earth did they not do that two years ago when we were asking them for an independent inquiry? Will the Secretary of State back what he has said by telling the House that he is prepared to back state schools and that his object is not to pull all the best teachers into his own centrally controlled city schools at the expense of the state schools? Will he look again at his proposals for the future, because from the small print it is clear that he plans to take total control of teachers' pay. It also looks like total control of education from the centre.

Mr. Baker: I emphasise that the funds being made available for city technology colleges are in addition to the planned expenditure on education. That money is not at the expense of the maintained sector and I would not want to see that. Nothing that I have said in this debate in any way derails the Nottingham meeting. I have provided a solid framework for the negotiators. They can now go to Nottingham knowing that the Government's position is crystal clear on contractual duties, conditions of service, pay structure, the provision that we will make for spending on teachers' pay and on the level of grants that we will make available to local authorities.

Mr. J. F. Pawsey (Rugby and Kenilworth): I warmly congratulate my right hon. Friend on producing a pay

offer worth 25 per cent. over two years. That is good news for teachers and even better news for our children, who have suffered from disruption for far too long. Can my right hon. Friend say how the new offer equates with Houghton and can he say something more about appraisal?

Mr. Baker: Condition No. 6 at Coventry dealt with appraisal. As I have said, we have made it clear that we want the 19 conditions agreed. Condition No. 6 says: "contribute to and participate in formal performance appraisal and review, team planning, self-evaluation, in-service training and professional development in assigned areas of the curriculum, and pastoral arrangements."

I hope that appraisal will be introduced this year. As my hon. Friend may know, there is a proposal for certain pilot projects to be put in hand. That is an important advance and is contained in the Education Bill which recently left the House and is now in another place. I thank my hon. Friend for welcoming this offer. Like me, he is anxious to seek to improve the career structure of teachers. That is the best way to improve the profession and its standing.

Mr. Martin Flannery (Sheffield, Hillsborough): Is it not most unfortunate that for two years the Government have provoked the longest strike in the history of education and have now produced a statement delivered in the voice of diktat and threat about what will happen if teachers do not toe the line? The Minister is new to the job and has a lot to learn about it. For years teachers on pitiful wages have carried out voluntary duties. The Government now threaten that those duties will be made contractual and that teachers will be forced to carry them out. That will create again exactly the same conditions that gave rise to the trouble over the last two years. It is useless to say to the teachers that they will get no more. The Government have been dragged, kicking and screaming, from position to position, saying that teachers will get no more, but now they are to get more and the Government are boasting about it as if their action were voluntary.

Mr. Baker: The hon. Gentleman was once a head teacher. As a result of my proposals, head teachers will get rather more than Members of Parliament. In the hon. Gentleman's case, it may be a question of water finding its own level. I refute the point that he made that the Government are in any way responsible for the breakdown of negotiations. I was appointed to this office in May and since that time I have been pressed every week, almost every day, to clarify the Government's position about teachers' pay. I have now done that and provided a framework which should lead to a settlement.

Mr. Malcolm Thornton (Crosby): My right hon. Friend's clear and unequivocal statement will be welcomed not only by parents but by the vast majority of teachers. The statement is a result of a failure ever since the Houghton award to deliver what was contained in the last paragraph of Houghton: The teacher unions' willingness to deliver the professional teacher. This is not a case of the Government being dragged, screaming and protesting, up to date. The Minister of State served with me on the Burnham committee and knows that there has been this failure for long time. This statement is long overdue.

Mr. Baker: I agree with my hon. Friend—this is a special offer and a special settlement. It recognises the importance of the classroom teacher, who is the heart and

essence of the educational system. We must have a proper career structure so that teachers can see a way forward and be properly rewarded. The offer is a major step forward.

Mr. Jack Thompson (Wansbeck): In the suggested conditions, has any special consideration been given to the role of the primary school teacher, bearing in mind the recent recommendations from the Select Committee on Education, Science and the Arts about the achievement in primary schools? Has the Secretary of State and his Cabinet colleagues taken account of the likely effect of the offer on other employees in the public sector?

Mr. Baker: I agree that the recent report from the Select Committee on Education, Science and the Arts on primary education was important, and it dealt with wider matters than pay. In the promotion posts that I have announced, the first three levels will be available for primary school teachers—that is £900, £1,800, and £2,800. The resulting maximum salary scales for primary teachers, other than heads and deputies, will be £13,600, £14,500 and £15,500.

Mr. Alan Howarth (Stratford-upon-Avon): I welcome the Government's decision to abolish the Remuneration of Teachers Act 1965. Will my right hon. Friend consider whether it would be better to move away from a centralised, national system of pay bargaining towards a decentralised system under which state-funded schools would be financially self-governing, negotiating contracts with their employees?

Mr. Baker: My hon. Friend raises a very wide and interesting question. I do not think that his suggestion will arise from the Nottingham meeting. However, he will know that I have made possible the arrangements he suggested for the city technology colleges. They will be independent trusts able to employ such teachers as they wish under the pay and terms of conditions they wish to set.

Mr. Nigel Spearing (Newham, South): Will the Secretary of State take us a little further on the matter of the two lots of 8.5 per cent.? Is that the global total or is it the minimum which would apply to any teaching grade? If it is not the global total, what will be the minimum for each minimum grade? Does the right hon. Gentleman agree that imposing the condition of a completely new system of wage bargaining—presumably replacing the present pattern—will make his problems more difficult and not contribute to the welfare of children in the way that he wishes? He is imposing a third condition and, as far as I can gather, he has not made the terms of that clear. He is asking for a blank cheque.

Mr. Baker: I am not asking for a blank cheque. I have said that the Government are prepared to write a very substantial cheque provided that the conditions are met. I want to emphasise that point most strongly. This is a substantial increase in teachers' salaries and the equivalent amount of planned expenditure. It is justifiable only as a result of what we want to gain—which is a restructuring of the basic pay structure of the profession.

After looking at the Coventry proposals on pay and the long scale which went up automatically, I became convinced that that was not appropriate for the teaching profession, and many teachers agreed with me. Teachers on scales 3 and 4—senior teachers—have recognised that that is not the appropriate way to remunerate a profession.

Mr. Spearing: The right hon. Gentleman has not answered the question.

Mr. Michael McNair-Wilson (Newbury): Is my right hon. Friend aware of how much I welcome his constructive proposals and how much I think that they will do to restore morale in the teaching profession? Does he agree that schools should be stable institutions in the lives of our children, and that firm conditions of employment are one way to re-establish the trust between children and teachers, which has been so sorely damaged during the past two years?

Mr. Baker: Like my hon. Friend I deplore what has happened over the past 18 months, when teachers—to whom children should look up, who have had the benefit of higher education and who have a responsible position in society—have walked out on their responsibilities and children have had to be sent home from schools. That is simply not acceptable. We believe that the 19 conditions should be reflected in contracts of employment, clearly setting out the duties and obligations of teachers so that they know their responsibilities and the head teacher knows what he can ask teachers to do.

Mr. David Young (Bolton, South-East): The tone of the Secretary of State's statement was as conciliatory as a shotgun marriage. If his proposals are not accepted at Nottingham, will he impose them unilaterally? Is he aware that the concern of teachers had as much to do with the lack of resources in education as it had to do with the pay structure? In creating a new contract, will he ensure that the resources meet the requirements of staff in the interests of our children?

Mr. Baker: The hon. Gentleman asked about the successful outcome of Nottingham, and I hope that there will be one. However, whether or not Nottingham achieves a negotiated settlement, I must re-emphasise that the Government's conditions will still have to be met if the extra money is to be paid. I am sure that the teachers want their extra money and I hope that the Nottingham negotiators will not stand in their way.

Mr. Alan Haselhurst (Saffron Walden): Does my right hon. Friend agree that parents will be astonished if teachers cannot find sufficient to requite their legitimate aspirations in this generous package? Can he confirm that the proposed machinery for settlements will have more chance of guarding against pay erosion, as a result of the standards he has set?

Mr. Baker: In answer to my hon. Friend's last point, the proposals I shall bring before the House, for an interim advisory committee advising me upon pay, conditions and structure, will provide a better guarantee for teachers than the erosion they have suffered as a result of the breakdown of the Burnham machinery. There is wide agreement across the spectrum that the Burnham machinery is no longer useful.

I fully endorse and agree with my hon. Friend's first point. If, as a result of my statement, the teacher unions decide that they want more, are not prepared to accept the conditions, or they reject the structure and as a result disruption occurs in schools, that action should be universally condemned. The Government are prepared to provide substantial resources provided that we can find a long-term solution to the dispute.

Mr. Max Madden (Bradford, West): Does the Secretary of State appreciate that many parents will be bewildered and angry that the Government have done today what the right hon. Gentleman's unhappy predecessor said for so long was impossible? They have provided new money for teachers' salaries. Does he understand that with the take-it-or-leave-it attitude he has adopted today he has not created the best conditions for genuine negotiation? Does he mean that the money is available only if all 19 conditions are accepted? Is there any room for genuine negotiations? Further, will the maximum bill to fall on local government be 4 per cent.?

Mr. Baker: In response to the hon. Gentleman's point about the 19 conditions, the Coventry heads of agreement said:

"The basic contractual requirements of the jobs of teachers . . . should be defined in accordance with the ACAS report on duties and responsibilities."

I have not plucked the list of 19 duties out of the air. The hon. Gentleman will find the list in the Coventry report. He will also find greater reservations in that report. These provided the unions with a useful quarry for chipping away at Coventry. I insist that the 19 conditions are absolutely necessary. What was the hon. Gentleman's other point?

Mr. Madden: The 4 per cent. limit.

Mr. Baker: Of course. The hon. Gentleman raised the question of the rates. The Government have provided new money, and we have provided for an increase in planned educational expenditure. However, the increases that I have announced today will have to be met by the taxpayer and the ratepayer.

Mr. Madden: In what proportion?

Mr. Baker: I stated what local authorities could deduct from the block grant in my original statement. However, the rates will rise from between 2 per cent. and 4 per cent. more than they would have increased without the settlement.

Mr. George Gardiner (Reigate): I warmly welcome the terms of my right hon. Friend's statement. Does he accept that if parents are to be given the long-term reassurance that they seek, the professional duties of teachers should be enshrined in statute?

Mr. Baker: My hon. Friend has raised an interesting point. I am anxious that the 19 conditions should be enshrined in the contracts of employment which lie between the local education authorities and the teachers. We would want to see the conditions implemented before any money is paid.

Mr. Ken Eastham (Manchester, Blackley): Is it not clear from today's statement that the Secretary of State looks upon the teachers less as members of a profession but rather as manual workers since he insists upon conditions and contracts of employment? Do the contracts of employment clearly state hours of employment, meal break allowances, whether teachers are to be paid for overtime or whether they will be given time off in lieu? Will the right hon. Gentleman say clearly what the position will be for local authorities which are subject to ratecapping? Will there be a dispensation if they concede the increases?

Mr. Baker: The one local authority that could be in trouble this year is ILEA because it is not in receipt of

block grants. ILEA is the largest spending and most extravagant education authority in the country. I would expect any extra money that ILEA pays this year to be found from its own resources. As for next year, I shall have to look at ILEA's expenditure level.

The hon. Gentleman made a disparaging, unhelpful and demeaning remark about relating teachers to manual workers. That is exactly what I am not doing. In the proposals I am trying to enhance and improve the professional status of teachers.

Several Hon. Members *rose*—

Mr. Speaker: May I say to those hon. Members who rose to ask a question that there is a further statement and some Lords amendments to consider which will take us late into the night. I shall allow questions to continue for a further 10 minutes. I shall make a careful note of those hon. Members who are not called and seek to give them preference later.

Mr. David Madel (Bedfordshire, South-West): Can my right hon. Friend assure me that to pay for the improved pay system the change in the rate support grant system takes account of the different education systems run by the various education authorities and the different numbers of children involved? Does he agree that both matters have a bearing on the number of teachers employed and the salaries that have to be paid?

Mr. Baker: My hon. Friend is right. He raises a wider point about the rate grant system, which many people believe to be less than satisfactory. I wish to make it clear that the block grant in respect of this expenditure will be paid to local education authorities through a supplementary report next year.

Mr. Patrick McLoughlin (Derbyshire, West): Does my right hon. Friend accept that his statement today will be welcomed by my right hon. and hon. Friends, in spite of the pathetic attacks from the Opposition's empty Benches? Is it not a sign of the interest in education that the Government side of the Chamber is packed and the Opposition side almost empty? Will my right hon. Friend explain that the 8 per cent. increase that he has announced, with inflation at 3 per cent., is a very definite increase in teachers' pay, far greater than any increase granted by the Labour Government, when inflation was 20 per cent.?

Mr. Baker: The increase is substantial. I emphasise and reinforce my hon. Friend's remarks. The 8.2 per cent. from 1 January next year is on top of a 7.4 per cent. increase in teachers' salaries from 30 March this year. I can think of no group in the public sector that has had a settlement of that sort. The Government are prepared to contemplate such a settlement only because we hope to gain from it the restructuring of the teaching profession.

I agree that the Opposition Benches are thinly attended. I hope that the Opposition will not, because of their thinness, be tempted to support any disruptive action. The thinnest Benches of all are those occupied by the SDP. Until a moment ago there was no one there at all.

Mr. Richard Alexander (Newark): Will not the chances of a settlement at Nottingham be vastly increased if today's proposals are accepted by the Opposition? Will it not be regrettable if, for narrow party political reasons, the Opposition attempt to undermine the proposals?

Mr. Baker: I thank my hon. Friend. The Opposition Front Bench and the Leader of the Labour party have a

responsibility. They have pressed me and my predecessor for a substantial commitment of Government funds to resolve the two-year dispute. I hope that they recognise the essential generosity of the offer. I hope that they will say publicly that they support what I have announced today.

Sir Dudley Smith (Warwick and Leamington): Is my right hon. Friend aware that his splendid package will mean that the public will totally reject any move by the teachers' unions not to go along with it? Does he agree that the teachers' unions must agree, because they will never achieve a better package?

Mr. Baker: Many teachers will welcome what I have said today. Many parents will look at the figures and reflect upon them. They will recognise that they have not had adjustments in their salaries or wage packets on this scale. They will recognise that the offer should be accepted.

Mr. Nigel Forman (Carshalton and Wallington): Is my right hon. Friend aware that the most welcome single element in his statement is the clear decision to bring together, at last, the pay and professional conditions of service for teachers? Does he agree that that is long overdue? Will my right hon. Friend confirm to the House and to those who are worried about the problems of public sector pay that he and the entire Cabinet are determined to stand firm? Does he agree that this proposal should not set a precedent for a repeat of the Clegg awards some years ago?

Mr. Baker: I reinforce that absolutely and totally. The Government are prepared to make the extra provision of Government funding only in very special circumstances, involving the restructuring of the whole pay system for the teaching profession and the establishment of proper contracts of agreement which tabulate, lay down and regulate duties and obligations. I want to emphasise that strongly. This is not the forerunner, and should not be considered to be the forerunner, of any other settlements in the public sector.

Mr. Anthony Nelson (Chichester): My right hon. Friend is to be congratulated on proposing such reasonable, generous and conciliatory terms for teachers. Is it not a matter for regret that it took the quid pro quo of a much higher pay offer to encourage many teachers to fulfil their responsibilities for covering for other teachers, as many of them have in the past? However, will my right hon. Friend be somewhat cautious in going too far down a statutory path of imposing responsibilities on teachers because that might encourage a work-to-rule mentality which could be detrimental to young people's education?

Mr. Baker: Nottingham allows the teachers' unions and employers to come to an agreement which does not have to be imposed statutorily. I hope that they will take the opportunity to do that. Cover responsibilities are clearly laid out in my letter and are dealt with in the 1,300 hours provision. I do not need to remind the House of the recent court judgment that cover is an existing professional obligation for teachers. That is important.

Mr. Tom Sackville (Bolton, West): I welcome my right hon. Friend's statement. Does he agree that the vexed problem of the shortage of science and maths teachers will not be fully addressed until teachers are paid, not only in accordance with their performance, but in accordance with the level of demand for their skills?

Mr. Baker: That is one of the reasons why the Coventry deal was so profoundly unhelpful. A scale which operated in a standard manner with automatic progression, did not allow for sufficient promotion posts. The five promotion posts that I have recommended today in the pay structure will allow such problems to be dealt with. It is important to deal with it because there is a shortage in those important disciplines. The problem will be addressed in that way.

Mr. John Watts (Slough): Was my right hon. Friend surprised by the hostile reaction to his statement from Labour Members? Will not parents find it unforgivable if the Labour party or its political friends in the trade unions make any attempt to sabotage such an imaginative basis for a settlement of this long-running dispute?

Mr. Baker: I think that the Opposition Front Bench is in a bit of a muddle over this, and does not quite know how to react. If, after reflecting on my statement, Labour Members take a concerted line condemning what I have said this afternoon, they will bear very great responsibility for any disruption in our schools.

Mr. Peter Bruinvels (Leicester, East): I welcome this new and most generous pay structure. Will my right hon. Friend confirm that 400,000 teachers, many of whom are Labour party members, will benefit from the genuine career and promotion prospects? Is it not irresponsible of Labour and Liberal Members to deny their support when parents have had enough, and expect their children to be properly taught, without any unrest?

Mr. Baker: I am grateful to my hon. Friend for his support, and I endorse what he has said. Parents and families will have high expectations of a settlement in Nottingham and of peace in our schools. We must return to what was always considered to be the natural basis of education in Britain, which means uninterrupted education for the benefit of our children.

Mr. Michael Stern (Bristol, North-West): Does my right hon. Friend agree that after his imaginative statement there will be even less justification than there never was for the unballoted industrial action proposed for next week by NAS/UWT? Will he write to that union pointing out the advantages, following his statement, of calling off action before it is too late?

Mr. Baker: I entirely agree with my hon. Friend. I deplore the action threatened next week, the disruption of half days and the picketing that will take place. It is totally unnecessary, and can only harm education. Moreover, it will severely damage the reputation of those teachers and unions that support it.

Mr. Radice: I welcome the fact that the Government are providing more money but I repeat: if it is available now, why was it not available two years ago? I must ask the Secretary of State again, because he did not answer before, why he said nothing about the Coventry proposals on reducing the size of classes, giving time to the preparation of lessons and on providing more opportunities for in-service training? The right hon. Gentleman did not answer that question before. Will he answer it now?

The Secretary of State seemed rather annoyed about my warnings over the nature and tone of his intervention. I asked him to state whether the Government would be prepared to give more money. They have done that, but I do not accept the way that it has been done. At this last moment, is not the Secretary of State asking teachers to keep faith with the contract side of the bargain while at the same time telling employers to tear up the agreement on pay structure that was so carefully negotiated at Coventry, and that was specifically designed to reward the classroom teacher?

Finally, is the Secretary of State aware that we are desperately anxious that Nottingham should succeed? For the past two years we have tried to obtain a settlement of the teachers' dispute, and if the Nottingham negotiations fail, it will be the Government's fault.

Mr. Baker: I do not think so. In my statement I mentioned 195 working days and set out the figure that was discussed at Coventry. I understand that the 1,300 hours also featured until very late in the marathon negotiating session in Coventry. Those are very important figures because they deal with class time. It works out at an average of 33½ hours for the 39 teaching weeks of the year.

Apparently, the hon. Gentleman now wishes to support Coventry, but he knows perfectly well that ever since that agreement was negotiated unions have chipped away at it. There has been considerable disquiet about it, and it was condemned and strongly attacked in the Main committee. It does not provide a proper basis for the structure of the teaching profession. When the hon. Gentleman has read the letter that I have placed in the Vote Office, and has reflected on it, I hope that his support for what I have said today will be unequivocal.

Mr. Hugh Dykes (Harrow, East): On a point of order, Mr. Speaker. Although questions from Labour Members completely dried up towards the end of this vital statement on education, is it not the convention that the Opposition spokesman should use his second intervention to raise new points, and not just reiterate points because he made them so badly the first time?

Mr. Speaker: That may be, but I am not responsible for what is said.

Mr. Tony Marlow (Northampton, North): Further to that point of order, Mr. Speaker. It quite often happens that there are general questions affecting England on which there is a statement. That is then followed by a statement involving Scotland. Quite often only a proportion of English Members of Parliament are called. Would it not be appropriate if a similar proportion of Scottish Members were called, as otherwise it might appear that English Members are second-class citizens. I think not of myself but of the general issue.

Mr. Speaker: I cannot give any such guarantee. I am genuinely sorry about what has happened. It would be ideal if I could call every hon. Member who wished to speak on a statement, but that is patently not possible. I do my best to make amends later, when these matters are discussed. I keep very careful records.

Thorneycroft, L.
Tonypandy, V.
Trefgarne, L.
Trenchard, V.
Trumpington, B.
Vaux of Harrowden, L.
Vestey, L.

Vickers, B.
Vivian, L.
Westbury, L.
Whitelaw, V.
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Young, B.
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Resolved in the affirmative, and amendment agreed to accordingly.

Teachers' Pay and Conditions

6.27 p.m.

Baroness Hooper: My Lords, with the leave of the House, I should now like to repeat a Statement which has been made in another place by my right honourable friend the Secretary of State. The Statement reads:

"With permission, Mr. Speaker, I wish to make a statement about school teachers' pay and conditions of service in England and Wales.

"For more than two years the local authority employers and the teacher unions have been negotiating about school teachers' pay and conditions. During this time the education of the children in our schools has been repeatedly disrupted. The children have been the victims. The local authorities and teacher unions sought help from ACAS because they were unable to reach a settlement within the Burnham Committee. Limited progress has been made as a result of

ACAS's work. Some heads of agreement were negotiated at Coventry in July, but little has been achieved since then. Now, scandalously, further disruption is threatened. A further negotiating meeting is planned for 8th November at Nottingham. I must make the Government's position clear.

"We now also have the Main Committee's report about pay and conditions of service for school teachers in Scotland. My right honourable friend will shortly make a statement giving the Government's response to that report. The Government regard the recommendations in that report relating to the teachers' pay structure, and to their duties and conditions of service, as well judged. We consider that similar arrangements should be adopted in England and Wales, although existing differences in practice mean that it is not appropriate to seek to apply the Main Committee's findings in their entirety to England and Wales. I am therefore writing today to the chairman of the Burnham Committee's Management Panel explaining the additional resources the Government are willing to make available for teachers' pay in England and Wales; and spelling out our conditions for releasing those resources. I have placed a copy of that letter in the Vote Office.

"The Government will make additional resources available only when two very important conditions are delivered. First, there must be a pay structure with differentials which reflect the varying responsibilities of teachers and the need to recruit, retain and motivate teachers throughout the school system and at all stages of their careers. The pay structure envisaged at the Coventry meeting in July does not meet this condition. A structure more in line with the recommendations in the Main Committee's report is necessary, and I have set out such a structure in the letter which I have put in the Vote Office. All teachers will receive higher pay; more than half of them on promoted posts reflecting varying responsibilities. The crucial importance of head teachers, who carry the biggest responsibilities, will be recognised.

"The second condition is that teachers' professional duties must be more sharply defined and clarified leaving no room for ambiguity about their duties and this must be carried through into enforceable contracts of employment. Contracts and conditions of service must be brought into line with the 19 points under discussion at the Coventry meeting. In particular, school teachers should be under an express contractual obligation to cover for absent colleagues, and to be available to work at the direction of head teachers for 1,300 hours over 195 days each year. All of this is set out in more detail in the letter I have placed in the Vote Office.

"In return for delivery of these conditions, teachers' pay would be increased in two instalments. The first instalment would increase average school teachers' pay by 8.2 per cent. from 1st January 1987, and the second instalment would be a further 8.2 per cent. from 1st October 1987. These two instalments would cover the full percentage increase in average school teachers' pay implied by the Main Committee's recommendations. This would settle

[BARONESS HOOPER.]

teachers' pay for 1986-87 and 1987-88. The increase of 8.2 per cent. from 1st January means that teachers' pay will have increased by over 16 per cent. since 30th March this year. Teachers will have had an average 25 per cent. increase over the two years to October 1987. This means that a good honours graduate in his third year would receive after two years' of teaching £10,000, an increase of about 20 per cent. The head of the largest comprehensive would get an increase from £26,250 to £30,500. I want to emphasise that these increases are only justified by the fundamental change in the terms, conditions and structure of the service which must accompany them.

"If, and only if, these conditions are met are the Government prepared to add £118 million in 1986-87 and £490 million in 1987-88 to planned expenditure on education in England and Wales. Education GREs would be increased accordingly. Block grants to local education authorities would be increased by £56 million in 1986-87 and £200 million in 1987-88. The cost of these increases would have to be shared by taxpayers and ratepayers. We estimate that rates would increase by between 2 per cent. and 4 per cent. compared with the decisions that local authorities would otherwise have taken.

"I hope that the meeting at Nottingham will accept the position I have outlined. I look to the employers and unions to act quickly and positively. I must make it clear that the matter must now be resolved on all the terms and conditions I have set out. The Government will not be prepared to amend them further, or to make any additional resources available.

"Now let me turn to the future. Over the last few years it has become widely accepted that the present negotiating machinery should be replaced. The Government therefore intend to repeal the Remuneration of Teachers Act and to bring forward proposals to this House for new machinery which will involve an interim committee to advise the Secretary of State on conditions of service and the distribution of pay within the resources available at the appropriate time.

"The Government are making these proposals in the interests of the whole country. I believe they will be seen as fair and continued disruption will be seen to be unforgivable in these circumstances. My proposals constitute a very special offer for very special people—the children of our nation."

My Lords, that concludes the Statement.

Lord McIntosh of Haringey: My Lords, we must express our gratitude to the noble Baroness for repeating the Statement made in another place. We welcome it to the limited extent that it is apparent that the Secretary of State has won what purports to be a battle in Cabinet with some of his Cabinet colleagues and has achieved expenditure levels that his predecessor was not able to achieve. That leads us inevitably to ask the Government why the money was not made available two years ago. Why have we had to suffer this long period of disruption in our schools

because of the previous intransigence of the Government and their unwillingness to recognise the justifiable demands of teachers for more comparable pay, and also their justifiable demands to make up the losses in real terms and in comparative terms that they have suffered over previous years?

I must ask the noble Baroness whether she thinks that the contract conditions attached to this offer from which, on the face of it, I do not dissent—I have, however, only the first page of the letter to which the noble Baroness refers (the rest apparently not having gone through the photocopier)—can possibly be effective unless there are also the resources in terms of capitation allowances, of improvements to premises and of all the other forms of expenditure other than teachers' pay that are necessary for lasting peace in our schools.

I would also ask the noble Baroness what she thinks will be the effect on the negotiations in Nottingham next week. The Statement refers to the future repeal of the Remuneration of Teachers Act. But, in fact, the Statement itself constitutes a unilateral repudiation of the Remuneration of Teachers Act. The Government have stepped in without waiting for the formal repeal of the Act and they have, in effect, abolished the negotiating machinery. Is it not the case that the Government are seeking in the Statement to take the credit for any success that there may be in subsequent negotiations, and yet are distancing themselves from the possibility of failure or responsibility for the possibility of failure? Is it not in fact the case that the Government will have to take the blame for any failure in the talks and that they cannot take credit for any success that there might be, for this would be achieved despite the actions of the Government today?

Lord Ritchie of Dundee: My Lords, I, too, should like to thank the noble Baroness for repeating the Statement. I wish to reiterate the words of the noble Lord, Lord McIntosh. It is unfortunate that the Statement has come two years too late. All the disruption and distress that the profession, parents and children have endured during that time could have been avoided. Among other things, the question of out-of-school duties for teachers would not have become the bone of contention that it is. As we know, teachers have withdrawn their services from such activities as midday supervision, parents' meetings, supervision of the arrival and departure of children, supervision of out-of-school activities and extra-curricular activities. They have been forced to withdraw their voluntary service in what have now become issues for confrontation and matters of binding duties. This has led to the rather harsh words used by the Secretary of State when he refers to there being no ambiguity about teachers' duties, and how they must be sharply defined and clarified. It is regrettable that services and activities freely given previously on a voluntary basis should now become matters of no ambiguity and of sharp definition and clarification. So there is a strong element of tough bargaining.

The Secretary of State refers to the motivation of teachers. The teachers, two years ago, did not need motivation. They need it now only because of two years of de-motivation. Teachers have become so

discouraged over this whole unhappy business that now the moment has certainly arrived when they need motivation. It is largely the events of the last two years that have made this necessary.

There is reference to an increase of 25 per cent. over two years to October 1987, which sounds generous. But an increase of 25 per cent. would not have been necessary had teachers' pay initially not been so shamefully low. One union unfortunately threatens further action. The Secretary of State's Statement is couched in somewhat dictatorial and uncompromising terms. It is to be hoped that these will not produce the due reaction from unions and teachers, so that the whole weary process starts up again. We must hope that in the discussions at Nottingham there will be a genuine air of negotiation and not an air of dogmatism or a veiled threat of legislation on the part of the Government.

Baroness Hooper: My Lords, I am grateful to the noble Lords for their somewhat muted welcome to the Statement. They both asked the question: why intervene at this stage? Why has it not happened before over the two-year period? It has been necessary to allow negotiations to follow the normal channels. We were told when we reached the Coventry agreement in July that this was an historic agreement, but as events have proved it was being re-written before the ink was dry. One union did not sign and the rest quickly distanced themselves. In the middle of this month they put in a string of extra demands, adding about 50 per cent. to the original Coventry cost. It is for this reason that my right honourable friend the Secretary of State has decided to intervene at this stage because, in view of the meetings in Nottingham next week, it is important that the parties can now go there with the Government's position crystal clear on the provisions that we shall make for spending on teachers' pay, on the levels of grant we shall make available, and on the shape of the pay structures on contractual duties and on conditions of service. We hope that on this basis they will be able to achieve a more lasting and beneficial result at Nottingham.

The noble Lord, Lord Ritchie, also referred to teachers' duties and motivation. Again, we appreciate that clarity and incentive have been lacking. I apologise to the noble Lord opposite that he does not seem to have the complete version of the letter in which there are 19 points very clearly set out, that we believe will give increased help to teachers in defining their duties and in providing incentives for them.

The noble Lord, Lord Ritchie, also suggested that the increase was not very generous. However, I do not feel that 16.4 per cent. over two years is a bad deal. The figure of 8.2 per cent. this year on top of 7.4 per cent. already awarded since 30th March can hardly be called. An ungenerous increase. The increase of 16.4 per cent. will take the average salary of teachers in England and Wales from £11,150 to £13,000. By next October teachers will have had an average increase of 25 per cent. over two years. This is a very good offer.

6.45 p.m.

Lord Eden of Winton: My Lords, I am sure my noble friend will recognise that there will be widespread appreciation of the fact that the Secretary

of State has been so decisive and clearcut in the action that he has taken in this matter. Nonetheless, does the noble Baroness not feel that this is an extremely generous award in the light of the very widespread disruption that has been caused over recent months during the course of these discussions by some of the members of the teaching profession? Can my noble friend indicate whether any thought has been given to the impact of this award, if it comes to be fulfilled, on the private sector—in which I declare a financial interest—and which no doubt she wishes to see preserved?

Lastly, can my noble friend say whether there is any time scale to be imposed by the end of which agreement is to be achieved—if that is to be the case—or whether the whole matter is to be left open-ended for continuing argument and debate?

Baroness Hooper: My Lords, I do not agree with my noble friend that in effect this settlement is a reward for disruption. The Government have been aware of the problems in schools. They have phased in the increase in salaries over a number of years in order to ensure that relativity between teachers and other professions is not entirely lost sight of.

I believe that there may well be an impact on the private sector although the terms of the agreement, which we hope will be reached in Nottingham, do not directly apply to them. With regard to the timescale, this very much depends on the parties in their negotiations in Nottingham. We certainly hope as a result of the Government making their position so clear, and as a result of the long period of time they have had to discuss these matters since Coventry in July, that some agreement will be reached.

Viscount Eccles: My Lords, I congratulate the Secretary of State on this deal. I have always thought that competent teachers should be treated and paid in a manner which reflects their importance to the nation. However, I want to be assured that one of the conditions of this deal is that there shall be regular assessments of ability in the classrooms, because it is quite clear that many of the difficulties in the schools today are due to the fact that we have teachers who are not up to the job.

Baroness Hooper: My Lords, yes. Appraisal is one of the matters enumerated in the letter which is available in the Library of your Lordships' House. Obviously the Statement referred to the Vote Office in the other place. Appraisal is certainly one of the items mentioned in that list.

Lord Houghton of Sowerby: My Lords, is the noble Baroness aware that from any point of view the Statement which she has made to the House marks a momentous occasion in the history of the teaching profession and teachers' pay. We must recognise that. I do not want to look back very much because I am quite ready for my modest place in the history of teachers' pay to be overrun by the Baker Report, or the Main Report, or any other report that will settle this unhappy business. But I think that the history of the whole subject would have been different if the committee over which I had the honour to preside

[LORD HOUGHTON OF SOWERBY.]

were not circumscribed by the statutory conditions and conventions and the history of the whole subject 12 years ago. We were inhibited from making any report on conditions of service. We were stopped from considering the remuneration of any part of the educational system outside the Burnham Report. We therefore had to deal with the higher ranges of teachers' pay and polytechnics but we could not touch the universities. A lot of trouble ensued because we were not able to look at universities at the same time that we were looking at polytechnics.

I drew attention to the main problem in my covering letter on the report, which was separation as between conditions of service and remuneration. I said that nowhere else in the public sector—and probably nowhere else at all—is pay kept entirely separate from conditions of service. The composite job and composite conditions of service have to be taken together to appreciate their full significance and importance. We therefore had to stick to pay. That was a considerable handicap in the work we were doing. We were bold, but we could have been much bolder had we been able to accompany our proposals on pay with something like the package deal that is now open to the teachers. However, that is all I want to say about the past.

It would be unfortunate if the blame for the delay were put on any particular party. I think that everyone was strung up with the past conditions, which were out of date and which it was inopportune to revise and reform while there were strong pressures on pay.

The question that I wish to ask the noble Baroness is this. I am a little unclear—I missed the first two minutes of the Statement—as to the nature of the discussions that will take place at Nottingham. Are they within the machinery of the Burnham system or are they *ad hoc* to deal with the composite pay and conditions proposals that are being made? Will the Government be represented at the discussions or are we still maintaining the fanciful concept that teachers are employed by local government? These are the problems all the time. Is the machinery that is available for discussion at Nottingham able to negotiate on the total package that has been presented by the Government? If so, then we can hope—I am sure we all do hope—for a settlement to be reached. If they are not competent to settle, where will the final decision be taken?

Can we be assured that this will really be the show in Nottingham when everything will be put on the table and those representing the teaching institutions will be able to reach conclusions, even though in the end they may have to put the totality of what is available to their members by ballot or by other means? Are we approaching the end—that is what I really want to know—because this miserable business cannot go on indefinitely. Here, it seems to me, is the opportunity to reach a settlement. The conditions seem to be pretty tough, but they are negotiable, and that is what the final meeting is all about.

Baroness Hooper: My Lords, I am grateful to the noble Lord, Lord Houghton, for his initial remarks in particular. I am glad that the Government have at last met the points that the noble Lord voiced some 12

years ago by bringing pay and conditions into one package. Perhaps I might add that now in real terms against the retail price index teachers are back to Houghton levels of pay, thanks to the fact that we have brought inflation under control.

As to the nature of the meeting in Nottingham, as I understand it, the committee is of an *ad hoc* kind. It was set up for the July meeting in Coventry at the instance of ACAS. As your Lordships will recollect, when the negotiations broke down, the parties brought in ACAS. ACAS suggested the setting up of this *ad hoc* committee. The committee consists of the employers and representatives of the unions, and an impartial chairman. The Government as such are not represented; but naturally the Government are hopeful that the decision will be made in Nottingham, taking the Government's position into account, and that this statement will be helpful in bringing the disruption and problems to a speedy end.

Lord McIntosh of Haringey: My Lords, would the noble Baroness be good enough to clarify two points arising out of previous questions? First, my noble friend Lord Houghton said that these conditions were negotiable. I read the Statement to mean that they were not negotiable in any way. I wonder whether she can confirm that is the case. Secondly, the noble Viscount, Lord Eccles, referred to this as a deal. As I read the Statement, there is no deal. The deal has to be made between the unions and the local authority employers. This is simply an ultimatum made by the Government of the conditions on which the Government are prepared to allocate a modest amount of taxpayers' money and a very large amount of ratepayers' money.

I have one final question genuinely for information. The Statement says,

"The Government therefore intend to repeal the Remuneration of Teachers Act and to bring forward proposals to this House for new machinery"

by which the Secretary of State means another place. Does that imply that the new machinery will not be brought before Parliament as a whole, and therefore not brought before your Lordships' House? In what form will the machinery come before Parliament?

Viscount Eccles: My Lords, I used the word "deal" in the sense that the Government on the one side are offering money and the teachers on the other side are asked to agree to conditions.

Baroness Hooper: My Lords, I think I would agree with my noble friend that what is intended is that there should be a balanced package on the lines advocated by the noble Lord, Lord Houghton, and he expressed it clearly when he said that in no other area is pay divorced from service conditions. I shall try to make the matter clear to the noble Lord, Lord McIntosh. I believe that I said in answer to a previous supplementary that the Government, in making this Statement, have now made their position crystal clear well in advance of the talks in Nottingham so that there is time for the parties to look at the statement and to digest it, and I trust that they will take careful account of what my right honourable friend said.

Obviously we have to be patient. The Nottingham talks take place the weekend after next. Once we have the outcome to consider, we shall consider it. I think we have enough actual questions to think about without resorting to hypothetical ones.

There was a final point made by the noble Lord, which now escapes me.

Lord McIntosh of Haringey: My Lords, even if the noble Baroness cannot answer it now, I should like her to write to me about this. The Statement says that the Secretary of State will

"bring forward proposals to this House for new machinery which will involve an interim committee".

My question is whether such proposals should not be brought before Parliament rather than simply before another place. I wonder whether she can advise me in what form it will come before Parliament?

Baroness Hooper: My Lords, if I understand correctly, it will come before Parliament as a whole. If I may be permitted, since the noble Lord offered me that way out, I shall clarify the position and write to him. Indeed, I shall place a letter in the Library so that everybody may be informed.

Baroness Carnegy of Lour: My Lords, it is of course extremely interesting to a Scot to know that the proposal is to model the package on that which has been proposed by the independent Main Committee in Scotland. I am wondering when we shall hear from her right honourable friend the Secretary of State for Scotland what is happening in Scotland about the Main Report. She said it would be shortly—does she know how short "shortly" is?

Baroness Hooper: My Lords, I understand that a separate Statement on Scotland has been made in another place, but that it was not requested that it should be repeated in this House.

Education Bill [H.L.]

6.57 p.m.

Consideration of Commons amendments resumed.

COMMONS AMENDMENT

83 Insert the following new Clause:

Political indoctrination

—(1) The local education authority by whom any county, voluntary or special school is maintained, and the governing body and head teacher of the school shall forbid—

- (a) the pursuit of partisan political activities by any of those registered pupils at the school who are junior pupils; and
- (b) the promotion of partisan political views in the teaching of any subject in the school.

(2) In the case of activities which take place otherwise than on the premises of the school concerned, subsection (1)(a) above applies only where arrangements for junior pupils to take part in the activities are made by any member of the staff of the school (in his capacity as such) or by anyone acting on his, or the school's behalf."

Baroness Hooper: My Lords, I beg to move that the House do agree with the Commons in their Amendment No. 83.

Moved, That this House do agree with the Commons in the said amendment.—(*Baroness Hooper.*)

On Question, Motion agreed to.

COMMONS AMENDMENT

84 Clause 39, page 43, line 1, leave out "should be" and insert "are".

Baroness Hooper: My Lords, I beg to move that the House do agree with the Commons in their Amendment No. 84. This amendment makes a grammatical correction.

Moved, That this House do agree with the Commons in the said amendment.—(*Baroness Hooper.*)

On Question, Motion agreed to.

COMMONS AMENDMENTS

85 After Clause 39, insert the following new clause:

Abolition of corporal punishment.

—(1) Where, in any proceedings, it is shown that corporal punishment has been given to a pupil by or on the authority of a member of the staff, giving the punishment cannot be justified on the ground that it was done in pursuance of a right exercisable by the member of the staff by virtue of his position as such.

(2) Subject to subsection (3) below, references in this section to giving corporal punishment are references to doing anything for the purposes of punishing the pupil concerned (whether or not there are also other reasons for doing it) which, apart from any justification, would constitute battery.

(3) A person is not to be taken for the purposes of this section as giving corporal punishment by virtue of anything done for reasons that include averting an immediate danger of personal injury to, or an immediate danger to the property of, any person (including the pupil concerned).

(4) A person does not commit an offence by reason of any conduct relating to a pupil which would, apart from this section, be justified on the ground that it is done in pursuance of a right exercisable by a member of the staff by virtue of his position as such.

(5) In this section "pupil" means a person—

(a) for whom education is provided—

(i) at a school maintained by a local education authority;

(ii) at a special school not so maintained; or

(iii) at an independent school which is maintained or assisted by a Minister of the Crown (including a school of which a government department is the proprietor) or assisted by a local education authority and which falls within a prescribed class;

(b) for whom primary or secondary education, or education which would be primary or secondary education if it were provided full-time, is provided by a local education authority otherwise than at a school; or

(c) to whom subsection (6) below applies and for whom education is provided at an independent school which does not fall within paragraph (a)(iii) above;

but does not include any person who is aged eighteen or over.

(6) This subsection applies to a person if—

(a) he holds an assisted place under a scheme operated by the Secretary of State under section 17 of the 1980 Act;

(b) any of the fees or expenses payable in respect of his attendance at school are paid by the Secretary of State under section 100 of the 1944 Act or by a local education authority under section 6 of the Education (Miscellaneous Provisions Act) 1953;

(c) any of the fees payable in respect of his attendance at school are paid by a local education authority under section 81 of the 1944 Act; or

(d) he falls within a prescribed category of persons.

(7) The Secretary of State may prescribe, for the purposes of subsection (6)(d) above one or more categories of persons

who appear to him to be persons in respect of whom any fees are paid out of public funds.

(8) A person shall not be debarred from receiving education (whether by refusing him admission to a school, suspending his attendance or otherwise) by reason of the fact that this section applies in relation to him, or if he were admitted might so apply.

(9) The power conferred on the Secretary of State by paragraph 4 of Schedule 4 to the 1980 Act to terminate a participation agreement under section 17 of that Act if he is not satisfied that appropriate educational standards are being maintained includes power to do so if he is not satisfied that subsection (8) above is being complied with.

(10) In this section "member of the staff" means—

(a) in relation to a person who is a pupil by reason of the provision of education for him at any school, any teacher who works at the school and any other person who has lawful control or charge of the pupil and works there; and

(b) in relation to a person who is a pupil by reason of the provision of education for him by a local education authority at a place other than a school, any teacher employed by the authority who works at that place and any other person employed by the authority who has lawful control or charge of the pupil and works there.

(11) An Order in Council under paragraph 1(1)(b) of Schedule 1 to the Northern Ireland Act 1974 (legislation for Northern Ireland in the interim period) which states that it is made only for the purposes corresponding to those of this section—

(a) shall not be subject to paragraph 1(4) and (5) of that Schedule (affirmative resolution of both Houses of Parliament); but

(b) shall be subject to annulment in pursuance of a resolution of either House."

86 Insert the following new clause:

"Abolition of corporal punishment: Scotland.

—(1) After section 48 of the Education (Scotland) Act 1980, there shall be inserted the following new section—

"Corporal Punishment.

Abolition of corporal punishment of pupils.

48A.—(1) Where, in any proceedings, it is shown that corporal punishment has been given to a pupil by or on the authority of a member of the staff, giving the punishment cannot be justified on the ground that it was done in pursuance of a right exercisable by the member of the staff by virtue of his position as such.

(2) Subject to subsection (3) below, references in this section to giving corporal punishment are references to doing anything for the purposes of punishing the pupil concerned (whether or not there are also other reasons for doing it) which, apart from any justification, would constitute physical assault upon the person.

(3) A person is not to be taken for the purposes of this section as giving corporal punishment by virtue of anything done for reasons which include averting an immediate danger of personal injury to, or an immediate danger to the property of, any person (including the pupil concerned).

(4) A person does not commit an offence by reason of any conduct relating to a pupil which would, apart from this section, be justified on the ground that it was done in pursuance of a right exercisable by a member of the staff by virtue of his position as such.

(5) In this section "pupil" means a person—

(a) for whom education is provided—

(i) at a public school,

(ii) at a grant-aided school, or

(iii) at an independent school, maintained or assisted by a Minister of the Crown, which is a school prescribed by regulations made under this section or falls within a category of schools so prescribed.

(b) for whom school education is provided by an education authority otherwise than at a school, or

(c) to whom subsection (6) below applies and whom education is provided at an independent school which does not fall within paragraph (a)(iii) above.

(6) This subsection applies to a person if—

(a) he holds an assisted place under a scheme operated by the Secretary of State under section 75A of this Act,

(b) any of the fees or expenses payable in respect of his attendance at school are paid by the Secretary of State under section 73(f) of this Act,

(c) any of the fees payable in respect of his attendance at school are paid by an education authority under section 24(1)(c), 49(2)(b), 50(1) or 64(3) of this Act, or

(d) he falls within a category, prescribed by regulations made under this section, of persons appearing to the Secretary of State to be persons in respect of whom any fees are paid out of public funds.

(7) In this section "member of the staff" means—

(a) in relation to a person who is a pupil by reason of the provision of education for him at any school, any teacher who works at the school and any other person who has lawful control or charge of the pupil and works there; and

(b) in relation to a person who is a pupil by reason of the provision of school education for him by an education authority at a place other than a school, any teacher employed by the authority who works at that place and any other person employed by the authority who has lawful control or charge of the pupil and works there.

(8) The Secretary of State may, by order made by statutory instrument, prescribe—

(a) schools or categories of school for the purposes of subsection 5(a) (iii) above; and

(b) categories of persons for the purposes of subsection (6)(d) above.

(9) A person shall not be debarred from receiving education (whether by refusing him admission to, or excluding him from, a school or otherwise) by reason of the fact that this section applies in relation to him, or if he were admitted might so apply.

(10) The power conferred on the Secretary of State by paragraph 4 of Schedule 1A to this Act to revoke a determination under section 75A of this Act if he is not satisfied that appropriate educational standards are being maintained includes power to do so if he is not satisfied that subsection (9) above is being complied with."

Baroness Hooper: My Lords, with the leave of the House, I beg to move that the House do agree with the Commons in their Amendments Nos. 85 to 86 *en bloc*.

Moved, That this House do agree with the Commons in the said amendments.—(*Baroness Hooper.*)

On Question, Motion agreed to.

COMMONS AMENDMENT

87 Clause 40, page 44, line 12, at end insert—

"(4) Before making any regulations under subsection (1) above, the Secretary of State shall consult—

(a) such association of local authorities, and representatives of teachers, as appear to him to be concerned; and

(b) any other person with whom consultation appears to him to be desirable."

Baroness Hooper: My Lords, I beg to move that the House do agree with the Commons in their Amendment No. 87. This amendment requires that the Secretary of State consult the local authority



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

David Norgrove Esq
Private Secretary
10 Downing Street
LONDON
SW1

30 October 1986

Dear David

TEACHERS' PAY

I enclose a final version of the statement my Secretary of State will make in the House this afternoon.

Copies go to Jill Rutter and Rob Smith.

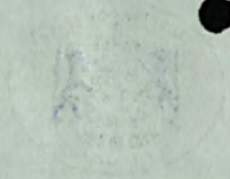
*Yours
Andy*

ANDY RINNING
Private Secretary

HMP30312

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M

SCOTTISH
WILLIAMS



STATEMENT BY SECRETARY OF STATE FOR SCOTLAND

TEACHERS' PAY AND CONDITIONS - SCOTLAND

WITH PERMISSION, MR SPEAKER, I WISH TO MAKE A STATEMENT ABOUT SCHOOL TEACHERS' PAY AND CONDITIONS OF SERVICE IN SCOTLAND.

1. ON 6 MARCH THIS YEAR I TOLD THE HOUSE THAT I INTENDED TO SET UP A COMMITTEE OF INQUIRY TO EXAMINE THE PAY, CONDITIONS OF SERVICE AND MANAGEMENT OF SCHOOL TEACHERS IN SCOTLAND. THE COMMITTEE WAS ASKED TO REPORT BY THE END OF THE SUMMER. I RECEIVED THEIR REPORT TOWARDS THE END OF SEPTEMBER AND IT WAS PUBLISHED ON 2 OCTOBER. I CONGRATULATE SIR PETER MAIN AND HIS COLLEAGUES FOR THE SPEED AND THOROUGHNESS WITH WHICH THEY HAVE DISCHARGED A VERY DIFFICULT AND IMPORTANT TASK.

2. AT THE CORE OF THE COMMITTEE'S REPORT THERE IS A SET OF RECOMMENDATIONS WHICH THE COMMITTEE HAVE SUGGESTED SHOULD BE JUDGED AS AN INDIVISIBLE PACKAGE. THESE RELATE TO PAY LEVEL AND STRUCTURE, THE DUTIES AND CONDITIONS OF SERVICE OF TEACHERS, STAFFING STANDARDS AND NEGOTIATING MACHINERY. I AM PLEASED TO BE ABLE TO TELL THE HOUSE THAT, IN GENERAL, THE GOVERNMENT ACCEPTS THE ASTERISKED RECOMMENDATIONS AS A PACKAGE. I SHALL MAKE THE NECESSARY RESOURCE PROVISION, BACKED BY ADDITIONAL RATE SUPPORT GRANT, TO ALLOW LOCAL AUTHORITIES TO IMPLEMENT IN FULL THE SALARY SCALES PROPOSED IN THE REPORT SO AS TO SETTLE TEACHERS' PAY FOR 1986-87 AND 1987-88. THIS WOULD BE DONE ON THE FOLLOWING TIMESCALE - THAT HALF OF THE FURTHER INCREASES RECOMMENDED BY MAIN WILL BE PAID FROM 1 JANUARY 1987 (MAKING AN AVERAGE INCREASE OF 8.2% FROM THAT DATE ON TOP OF THE 5.5% INTERIM INCREASE PAID FROM 1 APRIL 1986), AND THE REMAINING HALF FROM 1 OCTOBER 1987. BOTH STAGES WOULD DEPEND ON THE SCOTTISH JOINT NEGOTIATING COMMITTEE REACHING AGREEMENT ON A SETTLEMENT WHICH PROVIDES FOR THE FULL IMPLEMENTATION OF THE ASTERISKED RECOMMENDATIONS ON PAY STRUCTURE, DUTIES AND CONDITIONS OF SERVICE. I MUST EMPHASISE THAT MY OFFER IS ENTIRELY DEPENDENT ON REACHING SUCH AN AGREEMENT IN THAT IT CANNOT BE

INCREASED, AND THAT THERE CAN BE NO QUESTION OF ANY PART OF THESE RESOURCES BEING MADE AVAILABLE OTHER THAN ON THIS BASIS. THE SIZE OF THE AWARD AND THE BURDEN IT IMPOSES ON THE RATEPAYER AND THE TAXPAYER, MAKES IT SENSIBLE TO STAGE IMPLEMENTATION, AS HAS BEEN DONE IN THE PAST WITH OTHER AWARDS OF THIS KIND.

3. MY PROPOSALS WOULD INVOLVE ADDING £14M IN 1986-87 AND £60M IN 1987-88 TO PLANNED EXPENDITURE ON EDUCATION; THIS REFLECTS THE COST OVER AND ABOVE THE FIGURES I HAVE ALREADY ANNOUNCED AS THE BASIS FOR RSG IN 1987-88. GRANT WILL BE INCREASED BY £8M AND £30M RESPECTIVELY.

4. THIS WOULD REPRESENT A BIG PAY INCREASE FOR SCOTTISH TEACHERS; IT IS JUSTIFIED ONLY BY THE BENEFITS WHICH THE PACKAGE AS A WHOLE WILL BRING: THE RIGHT KIND OF PAY STRUCTURE FOR SCOTTISH SCHOOLS, THE NECESSARY CLARIFICATION OF TEACHERS' DUTIES, WHICH PARENTS WILL FIND PARTICULARLY HELPFUL, AND A MORE PRACTICAL AND REALISTIC APPROACH TO TEACHERS' CONDITIONS OF SERVICE. IN ACCEPTING THESE RECOMMENDATIONS THE GOVERNMENT IS MAKING CLEAR THE IMPORTANCE IT ATTACHES TO SECURING THE FUTURE DEVELOPMENT OF THE EDUCATION SERVICE AND RECOGNISING THE CONTRIBUTION WHICH TEACHERS MAKE TO OUR SOCIETY.

5. THERE IS ONE ASTERISKED RECOMMENDATION ON WHICH I WILL FOR THE TIME BEING RESERVE THE GOVERNMENT'S POSITION - THE RECOMMENDATION THAT AN INDEPENDENT REVIEW BODY BE ESTABLISHED TO SETTLE THE PAY AND CONDITIONS OF SCHOOL TEACHERS. THIS RECOMMENDATION HAS MAJOR IMPLICATIONS FOR THE FUTURE AND I WISH TO GIVE IT FURTHER THOUGHT BEFORE REACHING A FINAL CONCLUSION ON IT.

6. I HAVE CONCENTRATED IN THIS STATEMENT ON THE ASTERISKED RECOMMENDATIONS WHICH LIE AT THE CORE OF THE MAIN COMMITTEE'S REPORT. THERE ARE OF COURSE MANY OTHER VALUABLE RECOMMENDATIONS - ON THE ROLE AND FUNCTIONS OF HEADTEACHERS; ON PROFESSIONAL DEVELOPMENT OF TEACHERS; ON THE ROLE OF PARENTS AND ON THE MORE EFFECTIVE AND ECONOMICAL USE OF

RESOURCES WITHIN THE SCHOOL SYSTEM. I INTEND TO PURSUE ALL THESE MATTERS VIGOROUSLY IN CONSULTATION WITH THE EDUCATION AUTHORITIES AND THE OTHER INTERESTS CONCERNED.

7. SINCE AUGUST 1984 SCOTTISH SCHOOLS HAVE SUFFERED DISRUPTION AS A RESULT OF THE PRESENT TEACHERS' DISPUTE. THE MAIN COMMITTEE'S REPORT OFFERS US AN EXCELLENT BASIS NOT ONLY TO END THAT DISPUTE BUT TO OFFER OUR SCHOOLS AND TEACHERS A POSITIVE WAY FORWARD. THIS IS A ONCE AND FOR ALL OPPORTUNITY WHICH MUST BE SEIZED WITH BOTH HANDS. THE GOVERNMENT IS PREPARED TO DO ITS PART EVEN THOUGH THE COST TO RATEPAYER AND TAXPAYER IS HIGH; NOW IT IS UP TO THE TEACHERS AND THE EMPLOYERS TO DO THEIRS. MEANWHILE I CALL UPON THE TEACHERS' UNIONS TO CALL OFF THEIR CONTINUING BOYCOTTS OF CERTAIN DUTIES AND TO ALLOW SCHOOLS TO FUNCTION NORMALLY; THE IMMEDIATE RESUMPTION OF NORMAL WORKING MUST OF COURSE BE A FEATURE OF THE AGREEMENT I AM ASKING THE SJNC TO REACH. I AM SURE THAT THE WHOLE HOUSE WILL JOIN WITH ME IN URGING TEACHERS AND EMPLOYERS TO REACH SPEEDY AND FULL AGREEMENT ALONG THE LINES I HAVE INDICATED.

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COVERING CONFIDENTIAL

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

FROM THE SECRETARY OF STATE

David Norgrove
10 Downing Street

30 October 1986

Dear David,

SCHOOLTEACHERS' PAY AND CONDITIONS IN ENGLAND AND WALES

1. I attach a ^{revised} ~~raised~~ version of the statement the Secretary of State intends to make this afternoon. The draft seeks to take account of comments made by Ministers overnight and of points made at the Cabinet discussion this morning.
2. On paragraph 9 on page 3, the Secretary of State feels strongly that to make the statement credible the possibility has to be left open that his terms and conditions will be signed up for. The advisory committee would then not have a direct role for 1987 - its first role would be for the next year. The wording is therefore designed to cover this as well as the possibility of the committee advising on the Main envelope distribution.
3. I'm afraid that I have to ask for any further comments on the statement by 2.15pm today, when the text must be finalized.
4. I am copying this letter and the attachments to Private Secretaries to ~~and~~ the Chief Secretary and the Secretaries of State for Environment, Scotland, Wales and Northern Ireland, the Paymaster General and to Trevor Woolley at the Cabinet Office.

yours sincerely,

R L SMITH

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DRAFT STATEMENT BY THE SECRETARY OF STATE

1. With permission, Mr Speaker, I wish to make a statement about school teachers' pay and conditions of service in England and Wales.
2. For more than 2 years the local authority employers and the teacher unions have been negotiating about school teachers' pay and conditions. During this time the education of the children in our schools has been repeatedly disrupted. The children have been the victims. The local authorities and teacher unions sought help from ACAS because they were unable to reach a settlement within the Burnham Committee. Limited progress has been made as a result of ACAS's work. Some "heads of agreement" were negotiated at Coventry in July, but little has been achieved since then. Now, scandalously, further disruption is threatened. A further negotiating meeting is planned for 8 November at Nottingham. I must make the Government's position clear.
3. We now also have the Main Committee's report about pay and conditions of service for school teachers in Scotland. My rt hon Friend will shortly make a statement giving the Government's response to that report. The Government regards the recommendations in that report relating to the teachers' pay structure, and to their duties and conditions of service, as well judged. We consider that similar arrangements should be adopted in England and Wales, although existing differences in practice mean that it is not appropriate to seek to apply the Main Committee's findings in their entirety to England and Wales. I am therefore writing today to the Chairman of the Burnham Committee's Management Panel explaining the additional resources the Government is willing to make available for teachers' pay in England and Wales; and spelling out our conditions for releasing those resources. I have placed a copy of that letter in the Vote Office.
4. The Government will make additional resources available only when two very important conditions are delivered. First, there must be a pay structure with differentials which reflect the varying responsibilities of teachers and the need to recruit, retain and motivate teachers throughout the school system and

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at all stages of their careers. The pay structure envisaged at the Coventry meeting in July does not meet this condition. A structure more in line with the recommendations in the Main Committee's report is necessary, and I have set out such a structure in the letter which I have put in the Vote Office. All teachers will receive higher pay; more than half of them on promoted posts reflecting varying responsibilities. The crucial importance of head teachers, who carry the biggest responsibilities, will be recognised.

5. The second condition is that teachers' professional duties must be more sharply defined and clarified leaving no room for ambiguity about their duties and this must be carried through into enforceable contracts of employment. Contracts and conditions of service must be brought into line with the nineteen points under discussion at the Coventry meeting. In particular school teachers should be under an express contractual obligation to cover for absent colleagues, and to be available to work at the direction of head teachers for 1300 hours over 195 days each year. All of this is set out in more detail in the letter I have placed in the Vote Office.
6. In return for delivery of these conditions teachers' pay would be increased in two instalments. The first instalment would increase average school teachers' pay by 8.2% from 1 January 1987 and the second instalment would be a further 8.2% from 1 October 1987. These two instalments would cover the full percentage increase in average school teachers' pay implied by the Main Committee's recommendations. This would settle teachers' pay for 1986-87 and 1987-88. The increase of 8.2% from 1 January means that teachers' pay will have increased by over 16% since 30 March this year. Teachers will have had an average 25% increase over the two years to October 1987. This means that a scale 1 teacher on the top of the scale today receives £9,800 and by October of next year would under my proposals receive £11,400, an increase of £130 a month. A good honours graduate in his third year would receive after two years' of teaching £10,000, an increase of about 20%. The head of the largest comprehensive would get an increase from £26,250 to £30,500. These are big

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increases which are only justified by the fundamental change in the terms conditions and structure of the service which must accompany it.

7. If and only if these conditions are met is the Government prepared to add £118 million in 1986-87 and £490 million in 1987-88 to planned expenditure on education in England and Wales. Education GREs would be increased accordingly. Block grants to local education authorities would be increased by £56 million in 1986-87 and £200 million in 1987-88. The cost of these increases would have to be shared by taxpayers and ratepayers. We estimate that rates would increase by between 2% and 4% compared with the decisions that local authorities would otherwise have taken.
8. I hope that the meeting at Nottingham will accept the position I have outlined. I look to the employers and unions to act quickly and positively. I must make it clear that the matter must now be resolved on all the terms and conditions I have set out. The Government will not be prepared to amend them further, or make any additional resources available.
9. Now let me turn to the future. Over the last few years it has become widely accepted that the present negotiating machinery should be replaced. The Government therefore intends to repeal the Remuneration of Teachers Act and to bring forward proposals to this House for new machinery which will involve an interim committee to advise the Secretary of State on conditions of service and the distribution of pay within the resources available at the appropriate time.
10. The Government is making these proposals in the interests of the whole country. I believe they will be seen as fair and continued disruption will be seen to be unforgivable in these circumstances. My proposals constitute a very special offer for very special people - the children of our nation.

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until 5pm 30/10/86

Draft 20.00 29/10.

DRAFT STATEMENT BY THE SECRETARY OF STATE

1

With permission, Mr Speaker, I wish to make a statement about school teachers' pay and conditions of service in England and Wales.

For more than 2 years the local authority employers and the teacher unions have been negotiating about school teachers' pay and conditions. During this time the education of the children in our schools has been repeatedly disrupted. The children have been the victims. The local authorities and teacher unions sought help from ACAS because they were unable to reach a settlement within the Burnham Committee. Limited progress has been made as a result of ACAS's work. Some "heads of agreement" were negotiated at Coventry in July, but little has been achieved since then. Now, scandalously, further disruption is threatened. A further negotiating meeting is planned for 8 November at Nottingham. I must make the Government's position clear.

We now also have the Main Committee's report about pay and conditions of service for school teachers in Scotland. My rt hon Friend will shortly make a statement giving the Government's response to that report. The Government regards the recommendations in that report relating to the teachers' pay structure, and to their duties and conditions of service, as well judged. We consider that similar arrangements should be adopted in England and Wales, although existing differences in practice mean that it is not appropriate to seek to apply the Main Committee's findings in their entirety to England and Wales. I am therefore writing today to the Chairman of the Burnham Committee's Management Panel explaining the additional resources the Government is willing to make available for teachers' pay in England and Wales; and spelling out our conditions for releasing those resources. I have placed a copy of that letter in the Library.

The Government will make additional resources available only when two very important conditions are delivered. First, there must be a pay structure with differentials which reflect the varying responsibilities of teachers and the need to recruit, retain and motivate teachers throughout the school system and

Draft 20.00 29/10

at all stages of their careers. The pay structure envisaged at the Coventry meeting in July does not meet this condition. A structure more in line with the recommendations in the Main Committee's report is necessary, and I have set out such a structure in the letter which I have put in the Library. All teachers will receive higher pay; more than half of them on promoted posts reflecting the varying responsibilities of teachers. The crucial importance of head teachers, who carry the biggest responsibilities, will be recognised.

The second condition is that teachers' professional duties must be clarified and this must be carried through into their contracts of employment. Contracts and conditions of service must be brought into line with the nineteen points under discussion at the Coventry meeting. In particular school teachers should be under an express contractual obligation to cover for absent colleagues, and to be available to work at the direction of head teachers for 1300 hours over 195 days each year. All of this is set out in more detail in the letter I have placed in the Library.

Only if these conditions are met is the Government prepared to add £118 million in 1986-87 and £490 million in 1987-88 to planned expenditure on education in England and Wales. Education GREs would be increased accordingly. Block grants to local education authorities would be increased by £56 million in 1986-87 and £200 million in 1987-88. The cost of these increases would have to be shared by taxpayers and ratepayers. We estimate that rates would increase by 2-4% compared with the decisions that local authorities would otherwise have taken.

On this basis teachers' pay would be increased in two instalments. The first instalment would increase average school teachers' pay by 8.2% from 1 January 1987 and the second instalment would be a further 8.2% from 1 October 1987. These two instalments would cover the full percentage increase in average school teachers' pay implied by the Main Committee's recommendations. This would settle teachers' pay for 1986-87 and 1987-88. The increase of 8.2% from 1 January means that teachers' pay will have increased

instructing of the package forward better teachers abolition of Banham

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until 5 pm 30/10/86

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by over 16% since 30 March 1986. Teachers will have had an average 25% increase over the two years to October 1987. That is a big increase ~~which~~ is only justified by the fundamental change in the terms and conditions of service which must accompany it.

meeting
I hope that the negotiations at Nottingham will now resolve *accept the* the present situation. I look to the employers and unions to *at Nottingham* act quickly. I must however *make it clear that the matter is now resolved* insist that the matter is now resolved on the conditions I have set out. The Government will not be prepared to amend them further.

all end of terms and

Now let me turn to the future. Over the last few years it has become widely accepted that the present negotiating machinery should be replaced. The Government therefore intends to repeal the Remuneration of Teachers Act and to bring forward proposals for new machinery which will involve an interim advisory committee on ~~pay and conditions of service~~ *and the distribution of pay* within the details I have said will be made ~~at~~ available.

Notes to 8/15

The Government is making these proposals in the interests of the whole country. I believe they will be seen as fair. They constitute a very special offer for very special people - the children of our nation.

Too abrupt? Add something like "I shall be making a further statement in due course".?



10 DOWNING STREET

Prime Minister

Nigel thought you
should see this, though
please do not draw on
it in Cabinet today.

DHR

Seen by me
PM 30/10.

DHR

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c: Mr Norgrove

MR WICKS

TEACHERS

You should be aware of the row I have had with the Lobby today.

News reached me via David that DES were alleging that Downing Street had told the Lobby the outcome of the deliberations on teachers' pay; the amounts involved; the phasing; that there would be statements tomorrow; and that legislation was in preparation.

The facts are that, ^{after David had dismissed this with Cabinet} ~~with the permission of DES, which David specifically sought,~~ ^{Office} I told the Lobby that Ministers had met again today and paved the way for recommendations to be put to the Cabinet tomorrow. If conclusions were reached at Cabinet there could be statements tomorrow afternoon.

I did not discuss amounts - though Main's 16% has regularly been mentioned in the Lobby - or phasing. So far as legislation is concerned I noted that it had been canvassed and was an option.

David learned from DES that Will Stewart (Express) and David Davies (BBC), neither of whom were at the Lobby this morning, had alleged I had said all this. I therefore telephoned both Stewart and Davies to remonstrate with them a. on the gross inaccuracy of the information if they had indeed given it to DES; and b. on the totally unprofessional disclosure of sources which could only mean that if it went on I should quite simply clam up.

Both Stewart and Davies denied they had said this to DES but I wormed out of Stewart that he had talked to Tony Kerpel (DES). There was something of a momentary pause in our

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conversation when I suggested to Davies he had also spoken to Kerpel, but he recovered and made no direct admission.

I urged both Stewart and Davies to ring their contacts at DES and retract what I was alleged to have said.

Subsequently, I spoke to Alex Pagett, Scottish Office, who said that the Lobby in calls to them were alleging that I had indicated it was all cut and dried and trying to bounce information off them. I urged Mr Pagett to tell them they were trying to play two ends against the middle and that it wouldn't work.

I also urged Mr Pagett to tell his Secretary of State the facts about my briefing. He assures me that he did and that this was useful to the Secretary of State in coping with journalists himself.

In the midst of all this, Elinor Goodman, Channel 4, who is one of the best news gatherers in the Lobby, telephoned to say that she understood that the 16% of Main would be staged in two equal amounts in return for tight conditions. I told her I could not help.

Mr Pagett rang me subsequently to say that Scottish Office was now being telephoned by Scottish correspondents with details of the staging and dates of implementation. He shared my dismay at the futility of a strategy (as explained to me by Mr Baker earlier in the week) of giving the unions as little time as possible to react.

Later, when Julia Langdon, Chairman of the Lobby telephoned to seek information on the issue, I told her that I regarded the behaviour of some Lobby members today as disgraceful; that I had taxed some of them with their conduct; and that at present it seemed a good idea for me to give evidence to the inquiry into Lobby practice which is being set up.

One final point: evidence of the lack of substance of my briefing this morning - I did not hold a 4pm Lobby because of the Westland debate - is to be found in the Standard; it does not cover the issue in its main edition this evening.

BERNARD INGHAM
29 October 1986



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

David Norgrove Esq
Private Secretary
10 Downing Street
LONDON
SW1

29 October 1986

Dear David

TEACHERS' PAY

I enclose a copy of the Statement on Teachers' Pay which my Secretary of State proposes to make in the House tomorrow afternoon.

This takes general account of points raised in Ministerial discussions earlier this evening but is still subject to detailed drafting suggestions.

Copies go to the Private Secretaries of other members of Cabinet, the Attorney General, Chief Whip, Sir Robert Armstrong, Lord Denham and to Bernard Ingham.

*Yours
And*

ANDY RINNING
Private Secretary

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DRAFT STATEMENT BY SECRETARY OF STATE FOR SCOTLAND

With permission, Mr Speaker, I wish to make a statement about school teachers' pay and conditions of service in Scotland.

1. On 6 March this year I told the House that I intended to set up a Committee of Inquiry to examine the pay, conditions of service and management of school teachers in Scotland. The Committee was asked to report by the end of the summer. I received their report towards the end of September and it was published on 2 October. I congratulate Sir Peter Main and his colleagues for the speed and thoroughness with which they have discharged a very difficult and important task.

2. At the core of the Committee's report there is a set of recommendations which the Committee have suggested should be judged as an indivisible package. These relate to pay level and structure, the duties and conditions of service of teachers, staffing standards and negotiating machinery. I am pleased to be able to tell the House that, in general, the Government accepts the asterisked recommendations as a package. I shall make the necessary resource provision, backed by additional Rate Support Grant, to allow local authorities to implement in full the salary scales proposed in the report so as to settle teachers' pay for 1986-87 and 1987-88. This would be done on the following timescale - that half of the further increases recommended by Main will be paid from 1 January 1987 (making an average increase of 8.2% from that date) and the remaining half from 1 October 1987. Both stages would depend on the Scottish Joint Negotiating Committee reaching agreement on a settlement which provides for the full implementation of the asterisked recommendations on pay structure, duties and conditions of service. I must emphasise that my offer is entirely dependent on reaching such an agreement and that there can be no question of any part of these resources being made available other than on this basis. The size of the award and the burden it imposes on the ratepayer and the taxpayer,

*Why only
"in general"
is it
because
of the
staggered
pay?*

makes it sensible to stage implementation, as has been done in the past with other awards of this kind.

3. My proposals would involve adding £14m in 1986-87 and £60m in 1987-88 to planned expenditure on education; this reflects the cost over and above the figures I have already announced as the basis for RSG in 1987-88. Grant will be increased by £8m and £30m respectively.

4. This would represent a big pay increase for Scottish teachers; it is justified only by the benefits which the package as a whole will bring: the right kind of pay structure for Scottish schools, the necessary clarification of teachers' duties, which parents will find particularly helpful, and a more practical and realistic approach to teachers' conditions of service. In accepting these recommendations the Government is making clear the importance it attaches to securing the future development of the education service and recognising the contribution which teachers make to our society.

5. There is one asterisked recommendation on which I will for the time being reserve the Government's position - the recommendation that an independent review body be established to settle the pay and conditions of school teachers. This recommendation has major implications for the future and I wish to give it further thought before reaching a final conclusion on it.

6. I have concentrated in this statement on the asterisked recommendations which lie at the core of the Main Committee's report. There are of course many other valuable recommendations - on the role and functions of headteachers; on professional development of teachers; on the role of parents and on the more effective and economical use of resources within the school system. I intend to pursue all these matters vigorously in consultation with the education authorities and the other interests concerned.

7. Since August 1984 Scottish schools have suffered disruption as a result of the present teachers' dispute. The Main Committee's report offers us an excellent basis not only to end that dispute but to offer our schools and teachers a positive way forward. This is a once and for all opportunity which must be seized with both hands. The Government is

prepared to do its part even though the cost is high; now it is up to the teachers and the employers to do theirs. Meanwhile I call upon the teachers' unions to call off their continuing boycotts of certain duties and to allow schools to function normally whilst negotiations proceed; the immediate resumption of normal working must of course be a feature of the agreement I am asking the SJNC to reach. I am sure that the whole House will join with me in urging teachers and employers to reach speedy and full agreement along the lines I have indicated.



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

David Norgrove Esq
Private Secretary
10 Downing Street
LONDON SW1

29 October 1986

Dear David
SCHOOL TEACHERS' PAY

I attach a copy of the statement on teachers' pay which my Secretary of State proposes to make tomorrow. The draft seeks to take account of the comments made by Ministers most closely involved at a meeting this afternoon. They may well wish to suggest further amendments. Also attached for comment is draft defensive briefing and a draft of the letter to Mr Pearman.

I would be most grateful if comments on this material could reach this office by 9.30am tomorrow morning.

Copies of this letter go to the Private Secretaries to Cabinet Ministers, the Attorney General, the Parliamentary Secretary and the Captain of the Gentlemen at Arms, and to Trevor Woolley and Bernard Ingham.

Yours sincerely

Shirley Trundle

MRS S J TRUNDLE
Private Secretary

mf

DRAFT STATEMENT BY THE SECRETARY OF STATE

With permission, Mr Speaker, I wish to make a statement about school teachers' pay and conditions of service in England and Wales.

For more than 2 years the local authority employers and the teacher unions have been negotiating about school teachers' pay and conditions. During this time the education of the children in our schools has been repeatedly disrupted. The children have been the victims. The local authorities and teacher unions sought help from ACAS because they were unable to reach a settlement within the Burnham Committee. Limited progress has been made as a result of ACAS's work. Some "heads of agreement" were negotiated at Coventry in July, but little has been achieved since then. Now, scandalously, further disruption is threatened. A further negotiating meeting is planned for 8 November at Nottingham. I must make the Government's position clear.

We now also have the Main Committee's report about pay and conditions of service for school teachers in Scotland. My rt hon Friend will shortly make a statement giving the Government's response to that report. The Government regards the recommendations in that report relating to the teachers' pay structure, and to their duties and conditions of service, as well judged. We consider that similar arrangements should be adopted in England and Wales, although existing differences in practice mean that it is not appropriate to seek to apply the Main Committee's findings in their entirety to England and Wales. I am therefore writing today to the Chairman of the Burnham Committee's Management Panel explaining the additional resources the Government is willing to make available for teachers' pay in England and Wales; and spelling out our conditions for releasing those resources. I have placed a copy of that letter in the Library.

The Government will make additional resources available only when two very important conditions are delivered. First, there must be a pay structure with differentials which reflect the varying responsibilities of teachers and the need to recruit, retain and motivate teachers throughout the school system and

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at all stages of their careers. The pay structure envisaged at the Coventry meeting in July does not meet this condition. A structure more in line with the recommendations in the Main Committee's report is necessary, and I have set out such a structure in the letter which I have put in the Library. All teachers will receive higher pay; more than half of them on promoted posts reflecting the varying responsibilities of teachers. The crucial importance of head teachers, who carry the biggest responsibilities, will be recognised.

The second condition is that teachers' professional duties must be clarified and this must be carried through into their contracts of employment. Contracts and conditions of service must be brought into line with the nineteen points under discussion at the Coventry meeting. In particular school teachers should be under an express contractual obligation to cover for absent colleagues, and to be available to work at the direction of head teachers for 1300 hours over 195 days each year. All of this is set out in more detail in the letter I have placed in the Library.

Only if these conditions are met is the Government prepared to add £118 million in 1986-87 and £490 million in 1987-88 to planned expenditure on education in England and Wales. Education GREs would be increased accordingly. Block grants to local education authorities would be increased by £56 million in 1986-87 and £200 million in 1987-88. The cost of these increases would have to be shared by taxpayers and ratepayers. We estimate that rates would increase by 2-4% compared with the decisions that local authorities would otherwise have taken.

On this basis teachers' pay would be increased in two instalments. The first instalment would increase average school teachers' pay by 8.2% from 1 January 1987 and the second instalment would be a further 8.2% from 1 October 1987. These two instalments would cover the full percentage increase in average school teachers' pay implied by the Main Committee's recommendations. This would settle teachers' pay for 1986-87 and 1987-88. The increase of 8.2% from 1 January means that teachers' pay will have increased

by over 16% since 30 March 1986. Teachers will have had an average 25% increase over the two years to October 1987. That is a big increase which is only justified by the fundamental change in the terms and conditions of service which must accompany it.

I hope that the negotiations at Nottingham will now resolve the present situation. I look to the employers and unions to act quickly. I must however insist that the matter is now resolved on the ^{terms} conditions I have set out. The Government will not be prepared to amend them further.

Now let me turn to the future. Over the last few years it has become widely accepted that the present negotiating machinery should be replaced. The Government therefore intends to repeal the Remuneration of Teachers Act and to bring forward proposals for new machinery which will involve an interim advisory committee on pay and conditions of service.

See of state
as drafted

The Government is making these proposals in the interests of the whole country. I believe they will be seen as fair. They constitute a very special offer for very special people - the children of our nation.

Too abrupt? Add something like "I shall be making a further statement in due course".?

DRAFT



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DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

John Pearman Esq
Chairman of the Management Panel
Burnham Primary and Secondary Committee
LACSAB
41 Belgrave Square
LONDON SW1

October 1986

SCHOOL TEACHERS' PAY AND DUTIES

When we met on 23 October I expressed my concern about the absence of progress towards an acceptable package covering teachers' pay, professional duties and contracts which the Government would be willing to support. You have long made it clear that such support was an essential condition for finalising any deal with the teachers. It is important that you should know precisely where the Government stands before the negotiating process takes up again, in Nottingham on 8 November. To that end, I have now set out the Government's position in a statement to the House, a copy of which I attach. This letter explains the considerations underlying the Government's proposals and offers further details.

I do not regard the shape of the "Coventry" salary structure as satisfactory. It compresses differentials, cuts back on promotion opportunities, and fails to provide the flexibility which management must have if it is to deal with subject shortages, transfers between schools and the staffing of difficult schools. I am concerned about the list of additional pay demands presented by the teachers two weeks ago despite their earlier majority support for your Coventry heads of agreement. I note that all are chipping away at that understanding and I have had to conclude that further negotiations starting from the position reached at Coventry cannot yield a final bargain which properly reflects the needs of schools.

You have long known that the Government is willing to see increased expenditure on teachers' pay, on stated conditions. The first is that there must be a pay structure with adequate differentials to reflect the varying responsibilities of teachers and the need to recruit, retain and motivate teachers throughout the school system and at all stages of their careers. The second is that school teachers' contracts and conditions of service

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should be brought into line with the 19 points discussed at Coventry. In particular contracts must expressly provide for school teachers to cover for absent colleagues within reasonable limits and for them to be available to work at the direction of head teachers for 1300 hours over 195 days each year.

You also know that the Government has had the Main Report for Scotland under consideration for some weeks now and that we have been taking a close interest in the negotiations in England and Wales. I have to tell you plainly that the Government would wish to see employers and unions in England and Wales reach agreement on a pay package based on the relevant Main recommendations, with such adaptation as is needed to accommodate differences in the educational systems North and South. If a Burnham agreement on that basis can be reached, within the 16.4% cost envelope of the Main Report, for implementation in two equal stages on 1 January 1987 and 1 October 1987 respectively, and if a satisfactory parallel agreement on duties and conditions of service is concluded in CLEA/ST then the Government will be willing to make additional expenditure provision for teachers' pay this year and next. Fuller details of the basis of agreement which the Government would be willing to underwrite are given in the attachment to this letter.

Agreements of this kind will involve substantial additional expenditure on teachers' pay. That cost will fall to be shared between tax-payers and rate-payers. For its part the Government will be willing to increase education GREs by the full costs of the changes in pay levels and structure envisaged in the attached proposals - £120m for 1986/87 and £490m for 1987/88. It will increase block grant to local authorities by £55m and £200m in those years.

I recognise that the Government's proposals will involve substantial further work at Nottingham to draw up appropriate agreements which will command our support and justify release of the additional resources. I am confident that with goodwill on all sides that work can be completed swiftly, the agreements formally concluded and parents and pupils assured of uninterrupted education of high quality. For teachers the benefits are great - clarity about the nature of their professional task and cumulative average pay increases of 25% over the 2 years to October 1987.

Lastly, I should give you early warning of my intentions regarding the future of Burnham. The last few years have shown that there is wide agreement that the present negotiating machinery should be replaced. The Government therefore intends to legislate to end Burnham and to bring forward proposals for new machinery involving an interim advisory committee on pay and conditions of service.

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TEACHERS' PAY AND DUTIES: GOVERNMENT PROPOSALS

The Government believes that the salary structure recommended for Scotland by the Main Committee should be adopted for England and Wales, with such adaptation as is needed to reflect the different education system in England and Wales. The new structure should give a much improved scale maximum for the unpromoted classroom teacher. That maximum would be reached after 6 to 9 years' service, depending on entry qualifications. The availability of promoted posts should be much increased, with new principal teacher posts being phased in over a 3-year period so that in primary schools 40% of all teachers would be heads, deputies or holders of promoted posts, with a corresponding secondary figure of 60%. The Government believes that the availability of such promotion opportunities within teaching is essential to provide proper awards for good teaching and additional responsibility. It is also important for staffing and career management reasons - to allow schools to attract teachers in short supply, to facilitate changes of school where that is in the best interests of teacher and school and to provide a management tier within the school which involves a substantial proportion of the school staff.

2. Accordingly, the Government proposes that the present structure should be replaced by a 9-point scale as follows:

SCALE POINT	£
1	7,900
2	8,200
3	8,500
4	9,200
5	10,000
6	10,800
7	11,400
8	12,000
9	12,700

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Trained graduates without teaching or other valuable experience would start at point 1, trained good honours graduates at point 3. Employers would have discretion to fix higher starting salaries if they judged that appropriate - in the case of teachers who had undertaken further post-graduate study or research or who offered other experience of special relevance to teaching. The few non-graduates still entering teaching would start at a sub-scale salary of £7,600, proceeding to point 1 after one year's service. The proposed new induction arrangements currently favoured by employers, unions and the Government could be retained, to apply for the first two years of service but without a separate induction scale.

3. For promoted teachers, the Government proposes 5 rates of allowance to be added to the scale salary: £900, £1,800, £2,800, £3,800 and £4,800. The first three levels of promoted post would be available for primary schools, all five for secondary. The resulting maximum salaries for primary teachers other than heads and deputies would be £13,600, £14,500 and £15,500: for secondary teachers two further maxima would be available, £16,500 and £17,500.

4. Assimilation to the new scale would be as follows. Scale 1 teachers on points 0-2 of the present Burnham structure move to £7,600, all others to points 1-7 of the new scale: points 3 and 4 to point 1, point 5 to point 2; point 6 to point 3; points 7 and 8 to point 4, points 9 and 10 to point 5, points 11 and 12 to point 6, point 13 to point 7. Scale 2 salaries would be assimilated in the same way, except that those on the 3 highest points of scale 2 would be assimilated to points 7, 8 and 9 of the new scale.

5. Scale 3 and 4 salaries below the present scale 2 maximum would be assimilated as above. Other scale 3 and 4 and all senior teacher points would be assimilated to the new scale maximum with the following additional allowances - scale 3 to receive £900 or £1,800, scale 4 £2,800 or £3,800 and Senior Teacher £3,800 or £4,800.

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6. A further 3% of the salary bill would be applied over the 3 academic years from September 1987 to increase the availability of promoted posts, including heads and deputies, to 40% (primary) and 60% (secondary) as recommended by the Main Committee for Scotland.

7. Main recommended single-point salaries for heads, deputies and assistant heads in Scotland. In England and Wales there are no assistant heads and rather more deputies. Also, in England and Wales heads and deputies are on salary scales. The Government would propose a single-point pattern for England and Wales, but retaining the present arrangements for determining group size. The salary maxima for the various groups would be as follows:

GROUP	HEADS' MAXIMUM	DEPUTY HEAD MAXIMUM
1	15500	
2	16000)	
3	16500)	14750
4	17000	15000
5	17750	15575
6	19000	15750
7	20000	16250
8	21250	17000
9	22750	18000
10	24250	19000
11	26000	19750
12	27750	20750
13	29000	21500
14	30500	22250

8. The Government proposes that these new scales should be fully in place by 1 October 1987, with half of the increase payable from 1 January 1987. (For the period to 31 August 1987 that half would be calculated after applying the assimilation rules above to the individual teacher's present salary. For 1-30 September inclusive, the calculation would also take account of any further increment which the teacher

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would have been due on 1 September under the present salary arrangements.)

9. The Government attaches great importance to the delivery of uninterrupted education for all school pupils. This means that teachers' professional duties must be set down clearly and linked with individual contracts. Parents, public and teachers themselves are entitled to know exactly what can be expected. The Government considers that the list of duties identified in the report of the relevant ACAS working party should be adopted as describing those matters which fall within the professional obligation of all teachers. Those are as follows:

1. Plan, prepare, determine and review as necessary personal teaching methods and work programmes.
2. Teach and ensure the discipline and safety of assigned timetabled classes and groups, with the different educational needs of pupils in mind.
3. Set, mark and record pupils' work.
4. Promote the general progress and welfare of a class or group of pupils, and provide initial guidance or counselling on educational, social and career matters.
5. Assess and record pupils' personal and social needs, development, progress and attainment; provide or contribute to oral or written assessments and reports on individual pupils and groups.
6. Contribute to and participate in formal performance appraisal and review, team planning, self-evaluation, in-service training and professional development in assigned areas of the curriculum, and pastoral arrangements.

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7. Advise and co-operate with colleagues on teaching programmes, methods, equipment and materials within assigned areas of the curriculum.
8. Co-operate with appropriate specialist agencies and other appropriate outside bodies.
9. Ensure the safety and good order of pupils by carrying out an appropriate share of supervision on pupils' arrival at and departure from school, on dispersal and assembly at the beginning and end of the midday break, whenever pupils are authorised to be on school premises - with the exception of the midday break - and elsewhere when pupils are the responsibility of the school.
10. Consult and liaise with parents, attending meetings arranged for that purpose.
11. Participate in staff meetings and activities.
12. Undertake an appropriate share of the collective staff responsibility to substitute for an absent colleague when required, within limits as agreed.
13. Carry out an appropriate share of such administrative and organisational tasks as flow naturally from the above duties.
14. Take part in arrangements for presenting pupils in public examinations, and contribute expertise to the preparation and development of courses of study and teaching materials in response to changes in public examinations and assessment procedures.

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15. Contribute as required to the appointment, induction, professional development and assessment of junior colleagues, including new entrants to teaching.
 16. Co-ordinate the work of other teachers, as required, taking a leading professional role in the review, development and management of assigned curricular, pastoral or organisational activities.
 17. Supervise ancillary staff where designated to do so.
 18. Order and allocate appropriate equipment and materials.
 19. Carry out such other related duties and responsibilities at the school as may reasonably be allocated, as need arises, by the Head Teachers.
10. Not all teachers will be called upon to carry out all of these duties. Some of the duties listed are inappropriate to new teachers, for example. Teachers who make a high contribution in one area will necessarily be called upon for less in another. What is important is that no teacher should be able to decline a reasonable request to undertake such tasks which in aggregate are essential for the uninterrupted well-being of the school and its pupils.
11. Not all the teacher's work need be done on school premises and not all can be accommodated within the pupil's timetabled work or year. The Government does not propose that the teacher's total commitment should be expressed numerically or that it all be met on school premises. But within the full job a substantial proportion must be carried out in accordance with school policies, at the direction of the head teacher. The Government considers that time at the direction of the head, for performance of duties as listed in paragraph 9 above should be set at 1300 hours a year over 195 days.

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1300 hours is the period favoured by the employers, having regard to schools' needs, and 195 days were agreed at Coventry, allowing up to 5 days a year beyond the minimum pupil year for in-service training and other school purposes.

12. The list of duties would be subject to more exact expression in the job descriptions of individual teachers, particularly promoted teachers taking on specific responsibilities attaching to the promoted posts concerned. The general statement of responsibilities and the time for which teachers will be available for work at the direction of the head must be specified in individual contracts.

13. The duties of head teachers and their deputies extend beyond those of other teachers. The Government would again agree the list of duties identified in the relevant ACAS working party report, coupled with such statement of hours and days of service as may be set by the employing authority at the time of appointment. For heads and deputies responsibilities must be set down in specific terms and incorporated into contracts of employment.

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DEFENSIVE BRIEFING

Why have you intervened at this stage?

To try to bring this long-running saga to a conclusion. Talks seem to have been going on forever. Still no end in sight. We were all told that Coventry was a historic agreement. But it was being re-written before the ink was dry; one union didn't sign and the rest quickly distanced themselves. In the middle of this month they put in a string of extra demands that add about 50% to the original Coventry cost. And NAS/UWT quite scandalously announced resumed disruption from next week. Can't go on like this. We want our children to receive a proper education without all this aggravation. That will only happen when we have a sensible pay structure at a cost which the taxpayer and ratepayer can afford. At the same time we must have new contracts spelling out teachers' duties and conditions of service. That is what my intervention is designed to achieve.

Why have you derailed Nottingham?

I haven't. On Tuesday I was dithering, now I am precipitate. You can't have it both ways. What I have done is provide a solid framework for the negotiators. They can now go to Nottingham with the Government's position crystal clear - on the provision we will make for spending on teachers' pay; on the levels of grant we will make available; on the shape of the pay structure; on contractual duties; and on conditions of service.

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What framework?

First - a most generous increase - an average 16.4% by 1 October 1987, by which time they will have had an average increase of 25% over ~~the previous two~~ the two years to October 1987.

Second - my statement endorses the legitimate expectations of the employers for clearer contracts spelling out teachers' duties, working hours and so on.

Third it sets out the sort of salary structure - the pay scales and differentials - which the Government considers to be necessary if we are to recruit, retain and motivate teachers of the right quality.

But you are saying: do the Government's bidding and, as a reward, we'll scrap you.

You are not going to defend the Burnham machinery? You'd be the first defender I've met. New machinery is needed. Everyone accepts that.

You are going to destroy the rights of employer and employee to negotiate.

Jumping ahead. Lets have the Nottingham talks first. Will be consulting on our longer term proposals.

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Why not let the two sides complete their negotiations and then look at their conclusions? That was what the Government said it would do when it set up Main.

That is a recipe for even more drift. Sir Peter Main and his Committee kept to their tight timetable. They completed their report at the end of September. In England and Wales, on the other hand, all that we have beyond the Coventry heads of agreement signed by five of the six unions in July is an interim one-term agreement on cover. And we have not got the peace and calm in the schools that was promised. Look at the difficulties children are enduring in Birmingham, Inner London and Solihull because teachers still refuse to cover. And now we have the scandalous decision of the NAS/UWT to resume half-day strikes next week. We must bring this to a close: parents and children don't want the Government to wait and see. They want us to act. That is what we have done.

What if the two sides just ignore your statement? What if they come up with their own solution - a different structure, a different contract and at a cost beyond the one you have said you are willing to pay?

"If, if, if" ... I have made clear the Government's position well in advance of the talks in Nottingham. There is time for the parties to look at my statement and to digest it. I trust that they will take careful account of what I have said. But let us be patient - the Nottingham talks take place

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the weekend after next. We will then have an actual outcome to consider. I think we have enough questions to think about without resorting to hypothetical ones.

Why have you waited so long to dump the Coventry structure?

The employers have known for a long time about my dissatisfaction with the Coventry structure - the long single scale, the compression of differentials, the absence of incentives. All of these flew in the face of the Government's objectives set out by Keith Joseph in August 1985. Employers and unions have known all along what the Government wanted. Let me quote from the August 85 statement:

"A pay structure providing substantially more promotion opportunities for the better teachers to higher scales than are at present available combined with promotion arrangements and differentials designed to recruit and motivate teachers of the right quality across the whole range of school responsibilities."

How is it that you know better than the employers and the unions what is the right structure for the teaching profession? Let me quote an independent witness on the Coventry structure; the Main Committee. I quote from their report:

"We ... wondered whether a new management structure that further reduced the number of promoted posts at a time of contraction and that offered teachers so little prospect

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of further improvement in career earnings once they had reached the top of the basic scale would be in the interests either of the service or of individual teachers" (3.5 of Main Report).

They decided that it most certainly would not. I entirely agree.

How do you justify this phasing? You set up Main, you constrained the Committee in its terms of reference to have regard to continuing public expenditure restraint and affordability. Main did so and came out with 16.4% from 1 October 1986.

You are telling me that 16.4% over two years is a bad deal! That 8.2% this year on top of 7.4% already awarded since 30 March is a bad deal? Show me someone else who has had such a bad deal. We are in very generous territory here. The sums involved are way above the £1250 million offer made by Keith Joseph last year: the figure I'm offering is some £2.4 billion. An increase of 16.4% will take the average salary of teachers in England and Wales from £11,150 to £13,000. By next October, teachers will have had an average increase of 25% over the two years. This is a very good offer. And, because it is so good, it is very expensive. Hence

our phasing proposals. 8.2% from this January and 8.2% from 1 October next year. We think that is a fair balance.

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Do you really think that the unions will be willing to negotiate into place worsened conditions of service for their members?

The Coventry heads of agreement said that:

"The basic contractual requirements of the jobs of teachers ... should be defined in accordance with the ACAS report on duties and responsibilities".

I have not plucked the list of 19 duties out of the air. You will find them in that report. You will find marginal reservations in the report too. They have provided the unions with a useful quarry for chipping away at Coventry. The NUT, for example, has said that:

"The definition of duties should go no further than the first six points".

That is intolerable. The Government's position is quite straightforward - we must clear up once and for all what it is that teachers are employed and paid to do. That means a clear and precise definition of duties incorporated into contracts of employment which the employers then enforce.

But the 1300 hours do not appear in the Coventry heads of agreement.

No, but the 195 working days do. And I understand that the 1300 hours also featured until very late in the marathon negotiating

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session at Coventry. It is a figure which has long been held to by the employers as setting the period of time for which teachers must be under the direction of the head if the schools are to function effectively. It works out at an average of 33 and a third hours for the 39 teaching weeks of the year. Now, I am not going to pretend that that will be the end of the teacher's working day. Not all of the teachers' professional obligations can be fulfilled within the 1300 hours. They will discharge some of their responsibilities - such as preparation, marking, report-writing and keeping abreast of their subjects and other educational developments - at a time and place of their own choosing. But when all this has been said, many people tied to their workplaces for 40 hours will be envious of the freedom which goes with a directed working week of just 33 and a third hours for just 39 weeks of the year.

But you are insisting that teachers take part in appraisal and cover for absent colleagues.

Yes, and I don't apologise for it. As I understand it, everyone - unions, employers and Government - is for appraisal. What is at issue is how we introduce it and how we use it. That - again in accordance with an ACAS working party report endorsed in the Coventry heads of agreement - is to be examined in pilot projects which I hope will get under way in the very near future. As for cover, I need hardly remind you of the recent Court

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judgment that cover is a professional obligation of teachers. What we are talking about is placing a limit on that obligation by specifying the maximum amount of time for which secondary school teachers can be called upon to cover.

I really do not believe that the general public will understand if the teacher unions portray any of this as worsening their members' conditions of service. These are far from onerous terms and are in any event no more than what the conscientious teacher has been doing already for many, many years. What we are doing is making crystal clear the extent of teachers' obligations. Without this clarity, and as we have seen over the last two years, head teachers cannot manage the schools effectively.

How does this offer compare with Keith Joseph's £1250 million?

Very favourably. Whereas Sir Keith was offering £1.25 billion over four years, I am offering £2.4 billion over four years. The conditions remain and I've spelled them out in sum detail. They money is released only if the conditions are met.

But are you offering as much in the first year - 1986-87?

The year by year build-up is different. Under my proposals we will be increasing planned expenditure by £120 million for

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the final quarter of this financial year. That compares with the £160 million that Sir Keith made available for the entire year. Both figures exclude the extra £40 million we are providing for midday supervision. But, as I say, over the four years the comparison is between £1.25 billion and £2.4 billion.

Will the teachers be better off under your proposals than they would have been under Coventry?

By October 1987 teachers will get an average increase of 16.4%. The average increase under Coventry was 7% in year one rising to 13.4% after five years and some 17% after twelve years. So the profiles are very different. Coventry would have added about 7% to the 1986-87 pay bill largely by virtue of a one-off payment to ensure that all teachers received an extra £750 this year. That payment was not to be incorporated in the new pay scale. It was not to be carried forward into 1987-88. The differentiated pay structure which the Government is looking for rules out such a flat-rate payment and so the increase which I am offering from 1 January 1987 will carry through into subsequent years. There will be less money made available in the remainder of this financial year but the year will end with teachers on a substantially higher base - uplifted by 8.2%.

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What you are refusing to admit is that teachers would have got 7% this year out of Coventry and you are offering them 2.05%?

And what you are not saying is that teachers have already had a pay increase of ^{since 30 March} 7.9% this year and that when the full effect of my offer has worked through they will have received increases of 25% over the two years to October 1987. This when inflation is right down. You are implying that this is a mean offer - but I think that the general public can recognise a generous pay offer when it sees one.

Your big deal doesn't restore Houghton pay levels.

In real terms - against the RPI - teachers are already back to Houghton levels thanks to the fact that we've brought inflation under control. The Houghton increase came at a time of hyper-inflation and its real value was wiped out very quickly. This increase comes with inflation at 3%.

Why are you reducing the scale maximum from £14,500 to £12,700?

What philosophy should you bring to a pay structure for teachers? The Coventry philosophy was greeted with howls of outrage from teachers who had worked their way up and been promoted to scale 3, 4 and senior teacher. Indeed, so great were their protests

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that the unions had to go back to the employers and ask for more. But they wanted more on top of the £14,500. The country simply does not have that sort of money available. A choice has to be made. My choice is to follow the Main Committee; knock down the basic scale maximum; increase the number of promotion posts; and provide greater rewards for high quality performance, extra responsibilities and so on.

I can do no better than quote from the Main Report:

"We ... wondered whether a new management structure that further reduced the number of promoted posts at a time of contraction and that offered teachers so little prospect of further improvement in career earnings once they had reached the top of the basic scale would be in the interests either of the service or of individual teachers."

They decided that it would not. They were right.

How much better off will the average teacher be?

In terms of broad averages, the average pay of a school teacher now is £11,150. By 1 January 1987 the average will be up to £12,060. By 1 October next year it will be up to very nearly £13,000. To give an idea of the range for classroom teachers; I envisage the lowest paid qualified teacher moving up from

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£6,400 to £7,600 while the senior teacher on the maximum of his scale will move from £15,300 to £17,500. But exact figures for individual teachers will only emerge from the negotiations. The setting of scales, the number of points on them, the way in which teachers will move from their current positions onto new scales - all of these things are for negotiation. Only then will we be able to say how much better off this or that teacher is.

You are robbing from the lower paid teachers to give much bigger increases to the better paid ones. Aren't you courting further disruption in the schools?

I very much hope that you are wrong there. I fear for the teachers' chances at the court of public opinion if they dare to do even more damage to children's education in protest at a 16.4% pay offer. I am very ready to open up our offer to public examination and scrutiny. I think that it is a fair, generous and reasonable offer. It is an offer which should settle this long-running dispute.

The teachers have succeeded where the NUM failed. They have beaten you and your statement concedes defeat and robs the unions of their rights.

My statement represents neither victory nor defeat for the teachers. It provides the basis for an honourable and enduring settlement. That would be a triumph for good sense and for the children.



10 DOWNING STREET

Prime Minister

Shouldn't this
mention the increase
Scottish teachers have
already had for
1986-87?

DRS

29/10

PRIME MINISTER29 October 1986TACTICS ON TEACHERS

At the end of the day there can be little doubt that the Government will have to abolish Burnham and impose Main on England and Wales. But this does not mean that this should be the starting posture. It is vital that Kenneth Baker put himself in the position of offering the teachers a better alternative to the Coventry cul-de-sac rather than taking away Burnham.

If Burnham were suddenly abolished by Government fiat then the teachers would immediately be up in arms over the withdrawal of their right to negotiate through (the much loved!) Burnham. This is not good ground for the Government to fight on, much better to keep the debate about the 16% pay offer and the terms and conditions that go with it. Burnham can then be killed off in a few months time when its manifest irrelevance has become clear to all.

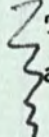
Once the outrage over the Main offer has died down, the unions will inevitably want to enter into discussions over the details. This must be resisted. As soon as the DES start talking, the structure and conditions will start sliding backwards. Teachers expectations will be raised and peace in the schools may actually become less likely.

Obviously Ken Baker cannot ignore the teacher unions altogether: what he should do is ask for written representations and refuse discussions (with himself or officials) until these have been received. This way the unions will be forced to put their complete shopping list on the table from the outset rather than gradually erode the Government's position by steadily increasing their demands. Because this way they will be shown to be unreasonable, they

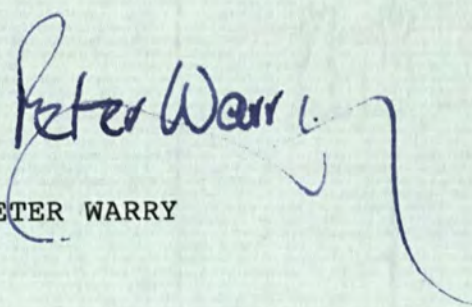
will be much easier to refuse. Ideally Baker should ask for a joint document drawn up by all the unions. This would ~~expose their conflicting demands, probably prove impossible,~~ and almost certainly leave them in disarray.

Conclusion

The Government must adopt the stance of offering the unions something rather than taking away their existing rights to Burnham and the Coventry proposals. Abolishing Burnham would obscure the main issue and arouse comparison with the GCHQ controversy. We strongly recommend that Ken Baker:

- a. Offers Main money inextricably linked to Main conditions as an alternative to the unions continuing to proceed down the Coventry path.
- b.  That he does not announce the abolition of Burnham at this stage.

- c. That he refuses to enter into discussions with the unions until they have made definitive written representations, preferably on a joint basis.


PETER WARRY

BRIAN GRIFFITHS

Ref. A086/3083

PRIME MINISTER

Teachers' Pay, Duties and Conditions of Service (C(86) 21)

BACKGROUND

The Report of MISC 122 sets out the agreed strategy for bringing to a conclusion the teachers' pay disputes, based on a conditional offer of a staged pay increase for an improved definition of teachers' duties and terms and conditions of service. It is self-explanatory. The Secretaries of State for Education and Science and for Scotland have circulated drafts of the statements they proposed to make to Parliament following Cabinet.

ISSUES

2. There are two unresolved issues which may be raised in discussion:

(i) Future Arrangements for Determining Pay

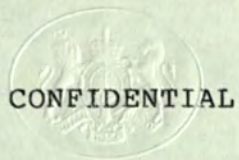
In accordance with MISC 122's decision, the Education Secretary will announce the Government's intention to repeal the Remuneration of Teachers Act and so abolish the Burnham machinery. I understand he is also now considering whether to go as far as indicating that the Government will establish an interim Advisory Committee. Two potential problems must be considered. First, the Scottish Secretary intends specifically to reserve the Government's position on the establishment of an independent Review Body for Scotland, essentially because he does not want to queer the pitch for a negotiated settlement through the existing



machinery. This might appear inconsistent with the line proposed for England and Wales. Second, while MISC 122 has agreed that for the first year the Advisory Committee would be required effectively to anglicise Main and would be constrained to the financial envelope defined by the Government, they have not discussed in detail its mode of operation after that. Some Ministers have advocated for example that the Committee should be constrained to act within a total cost defined by Government, but that proposition, which goes further than for any other public sector group in limiting the employees' involvement in pay determination, has not been argued and resolved. The Secretary of State's primary concern at this stage is to close the door on options based on a joint local authority - union non-statutory negotiating committee excluding the Government; and it might be possible to do this without commitment to an Advisory Committee until its mode of operation can be more fully described.

(ii) Effect on Ratepayers

It is proposed that on this occasion the Exchequer should provide less than the normal proportion of grant. This will provide further grounds for criticism by the shire counties over the recent RSG proposals. The amount involved is relatively small in the context of local government finance - £30 million - and has no effect on public expenditure, only the split between the taxpayer and ratepayers' contribution. Some Ministers may therefore wish to explore whether there is a case for paying grant at the normal rate in order to minimise scope for criticism that the Government are responsible for higher rates increases. Since the effect on total public expenditure is not an issue, there is a case for not introducing an unnecessary further grievance for local authorities by insisting on this grant reduction.



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3. You will wish to invite the Secretary of State for Education and Science to introduce the discussion, and the Secretary of State for Scotland to comment. The Chancellor of the Exchequer will wish to comment on the public expenditure and public sector pay implications. Other Ministers will wish to contribute.

RA

ROBERT ARMSTRONG

29 October 1986

PRIME MINISTER

TEACHERS' PAY

The Policy Unit question whether it is right to announce now that the Government intends to repeal the Remuneration of Teachers Act. They fear, as in the past, that this will add to the impression that the Government is hijacking the Coventry process. I am told that Mr. Baker himself regrets that the decision was taken this morning to announce the abolition, because he fears this will risk shifting the grounds of the debate away from teachers' pay and conditions towards the negotiating machinery. But he thinks he can handle this.

My own concern is much more second order. The Treasury insisted that only £200 million of grant should be paid to support the expenditure provision rather than the £230 million which would have been due if grant had been paid at the standard 46.4 per cent level. This seems to me to swallow the camel but strain at the gnat. It will cause irritation amongst local authorities and will give them an opportunity to claim that the rates increase is the Government's fault. They will be wrong, but the reduction of £30 million means that the Government would always have to qualify its retorts.

It would be wrong for you to raise this yourself. But if there is strong feeling at Cabinet about the effect on rates, and others raise the point, I cannot think the Treasury would lose much by conceding it. Any effect on total expenditure would be very small indeed.

Mr. Rifkind's proposed statement is a workmanlike job, though it might refer to the amount the teachers have had already for 1986-87.

Mr. Baker's statement is more persuasive. However, Peter Kemp in the Treasury rang me to express his concern about the degree of detail in the attachment to the proposed letter to

John Pearman, Chairman of the Management Panel. Peter points out that this is extremely detailed and leaves, on the face of it, very little for Nottingham to discuss or for the Interim Advisory Committee to consider. See, for example, paragraph 4 of the attachment.

The Government wants the teachers to have no room to slide out of the terms and conditions but equally it wants to avoid an appearance of heavy-handedness.

The attachment could be shortened and simplified by, for example, referring to the 19 points rather than listing them again and by setting the number of scale points and the range rather than specifying every single one of them.

Treasury Ministers may propose this to Mr. Baker this evening and may raise it at Cabinet tomorrow if they agree with Peter Kemp's advice.

DW

DAVID NORGROVE
29 October 1986



b

DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

NBP7.

The Rt Hon Nicholas Edwards MP
 Secretary of State for Wales
 Gwyder House
 WHITEHALL
 LONDON SW1

29 October 1986

John Marshall

**ADDITIONS TO EXPENDITURE AND GRANT IN RESPECT OF TEACHER PAY: DIVISION
 BETWEEN ENGLAND AND WALES**

I write to confirm the understanding reached between officials about the distribution between England and Wales of the additional resources for teachers' pay agreed in MISC 122 today.

We agreed provision for additional expenditure of £118m in 1986-87 allowing 6% for Wales, that is £111m for England and £7m for Wales. The total amount of grant needed to maintain the percentages of Aggregate Exchequer Grant in the two countries is £56m. The share of Wales in that sum is £5m, and that of England £51m.

We agreed additional provision of £490m for expenditure in 1987-88. Allowing 6% for Wales, that is £460m for England and £30m for Wales. We agreed £200m for grant in 1987-88, 14% short of the figure needed to maintain the AEG percentages. Applying that abatement equally to England and to Wales, the additional grant comes to £183m in England and £17m in Wales.

Copies of this letter go to members of MISC 122 and to Sir Robert Armstrong.

Zoran
Kenneth



10 DOWNING STREET

From the Private Secretary

Prime Minister

Barnet is on the last page.

These are not of course the figures for rate increases. The DOE continues to say that even with this settlement rates in Barnet may only rise in low single figures.

It would cost £100m in extra grant for every one percentage point reduction in Barnet's local contribution.

DWJ
28/60

PRIME MINISTER

28 October 1986

SCHOOL TEACHERS' PAY AND CONDITIONS - LEGISLATION

The Secretary of State has now provided us with the content of the proposed legislation.

When would legislation be announced?

It is not clear from the note when, if at all, the Secretary of State intends to announce the proposed legislation. My assumption is a sequence, something as follows:

- the Secretary of State makes his offer to unions and employers before the Autumn Statement.
- The unions and employers then discuss this at the Nottingham weekend.
- If they accept, or insist on minor changes, there is no need for legislation.
- But if they reject the offer then the Secretary of State will announce the content of this memorandum.

You might ask the Secretary of State precisely what he intends to do.

The details of the First and Second Bills and that for Scotland seem fine.

BG.

BRIAN GRIFFITHS

CCBG
BUP



CONFIDENTIAL CMO until 31 December 1986

P 02323

PRIME MINISTER

TEACHERS' PAY AND CONDITIONS OF SERVICE
MISC 122(86) 15th Meeting

DECISIONS

1. You will wish to reach decisions on the staging and overall cost of the Government's conditional offer to teachers. Subject to that, you will wish to endorse the strategy decided at Mondays meeting, and invite the Secretaries of State to report to Cabinet on Thursday with a view to a Parliamentary statement either that day or early next week.

BACKGROUND

2. The Group agreed on Monday that the Secretaries of State should indicate before negotiations resume at Nottingham on 8 November the Government's willingness to make available additional resources, provided the unions and employers can conclude the necessary agreement on improved pay structures and terms and conditions of service. It if becomes clear that they are unwilling or unable to conclude agreements, legislation will be introduced swiftly to impose a settlement. (MISC 122(86)14th Meeting).

3. The key unresolved issue was the staging of the pay increases recommended by Main. The Chief Secretary was asked to bring forward further proposals in conjunction with the other Ministers concerned. The Environment Secretary was asked to circulate exemplifications showing the impact on rate bills. Finally, the Education Secretary was asked to bring forward a detailed

specification of his legislation.

THE ISSUES

Staging

4. The Group agreed that staging should be in two phases, that it would be necessary to pay a further increase for 1986/87 given the expectations aroused by Coventry, and that the overall cost (for England and Wales) might be about £400 million for 1987/88. The Chief Secretary met the Education and Environment Secretaries this afternoon with the objective of agreeing a financial envelope and staging. They agreed provisionally that the staging should be 8.2 per cent on 1 January and 8.2 per cent on 1 October. They had to conclude however, that provision should be based on an offset of only 3.75 per cent uplift for costs and prices explicitly allowed for in the RSG settlement: to make a larger offset presents great difficulties of presentation and risks calling the RSG settlement into question. This means additional provision of £490 million. In order to apply some downward pressure on expenditure, and create incentives for savings, the Ministers agreed that additional grant should be restricted to £200 million. This would be provided for in a separate Supplementary Report rather than in the main RSG settlement and would be paid at a lower percentage than the main RSG settlement; it would leave local authorities to find £30 million more than would have been required if the established grant percentage had been paid in full.* The settlement would mean average rate increases, in excess of those already in the pipeline, of perhaps 1 per cent. We hope it will be possible for the Chief Secretary to minute colleagues this evening. Assuming that agreed recommendations do emerge, it is likely that these will be acceptable to the Group.

Rate Implications

5. The Environment Secretary hopes to circulate figures indicating broadly the impact for particular local authorities of the agreed increase in expenditure and grant. The Environment

* The grant percentage would be
2 40.8% as against the usual

Secretary's earlier suggestion that extra resources might be channelled through specific grant rather than block grant has been dropped, largely because a substantial proportion of any specific grant would have to go to ILEA, which would not receive anything through the block grant route. The high-resource shire counties would therefore be little better off under a specific grant regime than under the existing arrangements.

The Legislation

6. The business managers were concerned that the Group had not so far seen a detailed specification of what legislation to impose a settlement would involve. If it is assumed that the Government's initial statement of their conditional offer would not contain an overt threat to abolish Burnham if they did not agree, it is not necessary to reach final decisions on the legislation now so long as the Group is satisfied that there is an acceptable fall-back strategy for imposition. You will therefore wish to establish that subject to further discussion of the details, it will be possible to produce a Bill or Bills which will achieve the Government's objectives and which can be carried through Parliament. It may be prudent to authorise contingent drafting now.

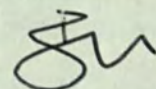
7. A particular issue will be whether to include on the face of the Bill specific proposals on eg the final pay increase for 1986-87- and so risk amendment of those proposals in Committee - or rely instead on order-making powers, with the risk of review of the use made of the powers. The Attorney General will wish to comment on these issues. But any detailed discussion on the best approach might be remitted to a smaller group comprising the Business Managers, the Attorney General, and the Education Ministers. There are a number of issues which will need to be addressed, eg the extent of the separate treatment for Scotland, the date on which regulations prescribing teachers' duties and conditions take effect, in the light of the agreed staging, and the extension (or not) of the new arrangements to the further education sector.

Next Steps

8. There is a strong case for making a statement earlier rather than later if the Government wishes to influence constructively the Nottingham negotiations. - This points to inviting the Education Ministers to put a paper before Cabinet on Thursday, with a Parliamentary statement that afternoon. That paper will need to make clear the terms of the Government's conditional offer, but probably need not specify in detail the Government's intention to impose a solution should negotiations fail. You might also wish to invite the Secretaries of State for Education and Science and for Scotland to circulate drafts of their statements to the Group on Wednesday afternoon.

HANDLING

9. You will wish to invite the Chief Secretary, Treasury to introduce the proposals for staging. The Education and Scottish Secretaries will wish to comment, as also will the Environment Secretary, Employment Secretary, and others. The Environment Secretary will wish to describe the implications for local authority rates. The Education Secretary will wish to outline his legislative proposals, and the Lord Privy Seal and Lord President of the Council will wish to comment.



J B UNWIN

Cabinet Office
28 October 1986

010

CEB/G



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

David Norgrove Esq
Private Secretary
10 Downing Street
London SW1

28 October 1986

Dear David

I attach a copy of what my Secretary of State proposes to say this afternoon at Question Time if he is pressed on teachers' pay, particularly on the question of possible Government intervention or new legislation.

If the Prime Minister is also pressed, Mr Baker suggests that she should refer back to what he has already said and continue with:

"I utterly condemn the action of the NAS/UWT in threatening further disruption in the schools next week. It is only the children of our country who will suffer".

Yours sincerely

Shirley Trundle

MRS S J TRUNDLE
Private Secretary

SUPPLEMENTARIES FOR PQs

The hon Member should not believe everything he reads in the Press.

The position is that the employers and Unions meet under ACAS at a meeting in Nottingham the weekend after next in yet another attempt to resolve this two-year old dispute.

Since the Coventry meeting in July the Main Report for Scotland has been published and the Government is considering its implications which are exceedingly complex.

While all this is going on I utterly condemn the action of NAS/UWT in threatening further disruption next week.

It is not the Government who can be blamed for the lack of an agreement. The parties have not as yet come to an agreement.

I made clear in my speech in July to the Council of Local Education Authorities that the Burnham system was coming to the end of its useful life. Most people seem to agree with that. One of the current working parties under ACAS is considering this.

Any change to the current arrangements would require legislation.

CCB/UP
BG2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

David Norgrove Esq
Private Secretary to
The Prime Minister
10 Downing Street
LONDON
SW1

28 October 1986

Dear David,

MISC 122

My Secretary of State has been asked to circulate, for tomorrow morning's meeting of MISC 122, exemplifications of the effect on rate increases of the latest option on teachers' pay.

/ The attached table shows, for each local education authority:

- a the increase in rates implied by the RSG Settlement as presently proposed; and
- b the increase in rates if LEAs spend £490 million above the Settlement assumption, if education provision is increased by £490 million and if block grant is increased by £200 million.

I am copying this letter and the enclosures to the private secretaries to all MISC 122 members and to Trevor Woolley in Sir Robert Armstrong's office.

*Yours sincerely,**R U Young.*R U YOUNG
Private Secretary

CONFIDENTIAL

EFFECT OF TEACHERS PAY AWARD ON LOCAL CONTRIBUTIONS

***** CONFIDENTIAL *****

[% increase on 86/7 actual rate implied by]

	COL 1	COL 2
	The provisional	The proposed
	1987/88 Settlement	arrangements
	(%)	with spending at
		Settlement + £490m
		(%)

TYNE AND WEAR

Gateshead	(12.5)	(10.2)
Newcastle upon Tyne	(6.8)	(3.1)
North Tyneside	1.4	4.3
South Tyneside	2.3	5.5
Sunderland	(1.0)	1.4

WEST MIDLANDS

Birmingham	(15.1)	(12.8)
Coventry	(2.2)	.3
Dudley	(6.1)	(4.2)
Sandwell	(1.4)	.8
Solihull	6.3	8.1
Walsall	(3.9)	(2.1)
Wolverhampton	(5.3)	(2.9)

WEST YORKSHIRE

Bradford	(16.0)	(14.3)
Calderdale	6.4	8.7
Kirklees	2.6	4.8
Leeds	8.4	10.9
Wakefield	13.6	16.0

CONFIDENTIAL

CONFIDENTIAL

EFFECT OF TEACHERS PAY AWARD ON LOCAL CONTRIBUTIONS

***** CONFIDENTIAL *****

[% increase on 86/7 actual rate implied by]

	COL 1	COL 2
	The provisional 1987/88 Settlement	The proposed arrangements with spending at Settlement + £490m
	(%)	(%)

GREATER MANCHESTER		
Bolton	3.1	5.6
Bury	7.5	9.9
Manchester	2.2	7.2
Oldham	(4.0)	(1.4)
Rochdale	13.4	16.1
Salford	.1	3.4
Stockport	(.2)	2.3
Tameside	(5.5)	(3.2)
Trafford	(3.5)	(1.0)
Wigan	3.9	6.0
MERSEYSIDE		
Knowsley	16.2	19.0
Liverpool	13.8	18.1
St Helens	(5.4)	(3.5)
Sefton	5.6	8.1
Wirral	7.7	10.3
SOUTH YORKSHIRE		
Barnsley	8.6	10.7
Doncaster	6.5	8.6
Rotherham	3.6	5.5
Sheffield	(10.9)	(8.1)

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CONFIDENTIAL

EFFECT OF TEACHERS PAY AWARD ON LOCAL CONTRIBUTIONS

***** CONFIDENTIAL *****

[% increase on 86/7 actual rate implied by]

	COL 1	COL 2
	The provisional	The proposed
	1987/88 Settlement	arrangements
	(%)	with spending at
		Settlement + £490m
		(%)

SHIRE COUNTIES

Avon	3.2	5.5
Bedfordshire	8.1	9.8
Berkshire	2.9	4.7
Buckinghamshire	10.4	12.3
Cambridgeshire	(1.7)	.1
Cheshire	6.2	8.1
Cleveland	(1.9)	.3
Cornwall	(5.4)	(3.4)
Cumbria	(6.0)	(4.1)
Derbyshire	(.4)	1.7
Devon	(1.6)	1.0
Dorset	4.3	7.0
Durham	(1.7)	.2
East Sussex	2.2	5.0
Essex	6.4	8.1
Gloucestershire	(3.5)	(1.6)
Hampshire	7.0	9.1
Hereford and Worcester	.5	2.3
Hertfordshire	5.8	7.6
Humberside	10.8	13.1
Isle of Wight	9.6	12.2
Kent	2.4	4.2
Lancashire	2.4	4.8
Leicestershire	(3.5)	(1.8)
Lincolnshire	(3.7)	(1.9)
Norfolk	(1.3)	.6
Northamptonshire	13.2	15.2
Northumberland	(10.3)	(8.8)
North Yorkshire	6.4	8.7
Nottinghamshire	(11.2)	(9.4)
Oxfordshire	8.2	10.3
Shropshire	(1.2)	.4
Somerset	3.5	5.9
Staffordshire	(1.6)	.2
Suffolk	5.4	7.4
Surrey	8.7	11.0
Warwickshire	3.9	5.7
West Sussex	.5	2.6
Wiltshire	2.6	4.4

CONFIDENTIAL

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EFFECT OF TEACHERS PAY AWARD ON LOCAL CONTRIBUTIONS

***** CONFIDENTIAL *****

[% increase on 86/7 actual rate implied by]

	COL 1	COL 2
	The provisional	The proposed
	1987/88 Settlement	arrangements
	(%)	with spending at
		Settlement + £490m
		(%)

LONDON

Barking and Dagenham	5.4	8.3
Barnet	10.8	14.3
Bexley	14.3	17.0
Brent	(2.8)	1.8
Bromley	10.0	13.2
Croydon	10.3	14.0
Ealing	9.3	13.2
Enfield	18.6	21.9
Haringey	(5.6)	(1.1)
Harrow	17.9	21.5
Havering	8.6	11.1
Hillingdon	6.9	10.1
Hounslow	(10.9)	(7.5)
Kingston-upon-Thames	12.4	16.3
Merton	10.2	14.2
Newham	(41.9)	(39.0)
Redbridge	7.7	11.0
Richmond-upon-Thames	22.4	28.3
Sutton	11.1	14.3
Waltham Forest	11.4	15.8

ILEA	2.5	5.0
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CONFIDENTIAL



FROM: CHIEF SECRETARY
DATE: 28 October 1986

PRIME MINISTER

TEACHERS' PAY: STAGING OF SETTLEMENT

MISC 122, at their meeting on 27 October, asked me to seek to reach agreement with the other Ministers concerned on the staging of the Government's offer, and the consequent increases in provision for local authority expenditure and in Exchequer grant.

2 Following a full exploration of the issues, we have reached the reluctant conclusion that the local authorities cannot be assumed to have already in their budgets for teachers' pay more than the 3.75 per cent allowance for higher costs and prices on which the 1987-88 RSG settlement is explicitly based. Since the additional provision will be clearly identified, the Government cannot avoid saying how it is calculated: I fear it is now fairly clear that there is no basis on which we could justify a higher offset - say the 5.75 per cent hitherto contemplated - without calling the RSG settlement into question.

3 The result of this is that the additional provision, for any given staging, is £115 million higher for England and Wales than we have previously contemplated. In order to contain the costs in the light of this the Education Ministers and I have agreed that the first stage should be 8.2 per cent on 1 January 1987; with the second stage of 8.2 per cent on 1 October 1987. They consider that to impose further delay, in payment of the second stage would not be acceptable to teachers and parents. But the additional provision for England and Wales is £490 million, as against MISC 122's objective of £400 million.

4 By making the smaller offset of 3.75 per cent we are taking some of the pressure off ratepayers, given that local authorities will in reality have been planning on increases for teachers well in excess of 3.75 per cent. I have therefore agreed with the Education

Ministers and the Environment Secretary that, as a signal of the Government's determination to maintain downward pressure on local authority expenditure, and to give the authorities an added incentive to find offsetting savings, particularly in the field of Education, the additional grant should be restricted to £200 million. Even at this level this increase represents more than twice the amount implicit in Keith Joseph's offer last year. This grant would be paid through a Supplementary report, and would go only to education authorities. It is some £30 million less than authorities would have received had we stuck to the settlement grant percentage in England of 46.4 per cent. But, on balance, authorities and ratepayers, benefit from the fact that we are basing provision on a spending assumption of 3.75 per cent rather than the 5.75 per cent we envisaged earlier.

5 This increase in provision of £490 million (plus the addition for Scotland) is, of course, substantially larger than Treasury Ministers have sought throughout these discussions, and can only be accommodated with the greatest difficulty. The Chancellor of the Exchequer and I could not contemplate any further increase at all. The Education Secretaries have agreed to this.

6 The provision and grant for Scotland would reflect the same staging and would thus be on comparable terms.

7 I am copying this minute to the other members of MISC 122 and to Sir Robert Armstrong.

Jim Ruth

pp JOHN MacGREGOR

*(Approved by the Chief Secretary
and signed in his absence).*

208 N.Y.
6416
9 JUL 5 1946

LONDON

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CC BG
B/UP

C O N F I D E N T I A L

PERSONAL

PRIME MINISTER

SCHOOL TEACHERS' PAY AND CONDITIONS - LEGISLATION

1. At the MISC 122 meeting on Monday, I was asked to spell out the content of the proposed legislation.

FIRST BILL

2. This would be a very short, two clause Bill, with two Schedules. It would:

i. repeal the Remuneration of Teachers Act 1965; and

ii. require local education authorities to remunerate school teachers in maintained schools (a) from 1 April 1986 to [31 December 1986] in accordance with agreements made before [30 October 1986] in the Burnham Primary and Secondary Committee as set out in scales and allowances in Schedule A to the Bill and (b) from [1 January 1987] in accordance with Schedule B, uprating Schedule A's scales and allowances by [8.2%].

3. Three questions arise:

i. Should there be a fixed period of operation for the scales fixed from [1 January 1987]? I have concluded that no date of expiry should be included, lest for any reason successor scales should not come into place in time. That would leave a vacuum, with employers and unions thus able to frustrate our intentions by entering into free collective bargaining.

ii. Would it be better for me to take a power to determine the final 1986/87 pay settlement by Order? The specification of a percentage increase

on the face of the Bill will no doubt give rise to numerous amendments. However, were I to take the power finally to determine the 1986/87 settlement by Order, subject to negative resolution, I see more risk of successful challenge by judicial review. If I did not consult the unions and employers before making such an Order, and that is not our wish, they might be on strong ground in challenging my decision as unreasonable - on grounds of legitimate expectation. I would prefer therefore to specify the percentage increase in the Bill itself. Furthermore, that option is clearer and more readily understandable by the public - Parliament will have decided.

- iii. Is it necessary also to take a power to negate any agreements reached by the Burnham Primary and Secondary Committee between the date of announcement of legislation and enactment? I think not. The employers could well be tempted into an outrageous agreement in the knowledge that we would then have to use our power to overturn it. And during this short period I do not believe that the employers would make an agreement if the Government were to tell them, as we would, that the cost of any such agreement would fall entirely upon them.

4. It should be noted that this Bill would also abolish the Burnham FE Committee, leaving further education teachers' pay and conditions for negotiation between employers and unions subject to our financing constraints.

SECOND BILL

5. The second Bill would be more comprehensive. It would
- i. empower the Secretary of State for Education and Science to set up an interim advisory committee to make recommendations for teachers' pay, duties and conditions of service;

- ii. provide for the committee to be set up for two years in the first instance, and provide for its existence to be extended, a year at a time, by order subject to negative resolution;

- iii. provide for the committee's terms of reference to be fixed from time to time by order, subject to negative resolution. The first such order, for the 1987 exercise would require it to make recommendations on teachers' pay levels and structure from [1 October 1987] within a predetermined cost envelope, being the balance of Main. Those recommendations should yield a distribution which would improve differentials and promotion prospects. The terms of reference would also require the committee to advise on teachers' duties, how those should be expressed in contracts and on such other conditions of service as are appropriate for national determination. The latter would include matters like the length of the teachers' contractual year and how much working time should be explicitly at the direction of the head teacher. The terms of reference for the subsequent exercise could be adjusted to require the committee to have regard to teacher compliance, with the duties and obligations imposed in 1987 and to employer enforcement of the resulting contracts.

- iv. require the Secretary of State to consult representatives of employers and teachers about the committee's recommendations and then to promulgate those by order, subject to the negative resolution procedure. The Secretary of State would have power to vary the recommendations subject to the affirmative resolution procedure.

C O N F I D E N T I A L

PERSONAL

SCOTLAND

6. The situation is different in Scotland. There the SJNC may fail to deliver the Main package on the phased basis proposed. In that event the Government would have to legislate. But the legislation would not be parallel. There is for Scotland a set of recommendations on pay and duties which the Government considers broadly satisfactory. There is no need for further advice in 1987. If the SJNC will not deliver the package by negotiation, then the legislation will have to impose it for the period to 31 March 1988 and provide for advisory machinery and determination powers for the Secretary of State for Scotland for 1988. Thus the timescales and content of legislation North and South will be different. The Secretary of State for Scotland accordingly believes that it will be better to look to a separate Bill for Scotland if the SJNC fails: I agree.

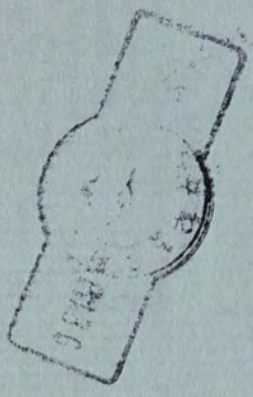
7. I am sending copies of this minute to other members of MISC 122, the Attorney General and to Sir Robert Armstrong.

KS

K B

28 October 1986

Department of Education and Science



PRIME MINISTER

TEACHERS' PAY

Paragraph 12 of the paper makes the very important point:

"We have to be satisfied at the outset that we can stand firm on the offer we decide to make. That means making one we can defend in public and for which we can win and keep public support in the face of continued disruption."

The Chief Secretary's preferred option is to stick to the $\pounds 1\frac{1}{4}$ billion on grounds of market confidence, public expenditure and the effect on other pay negotiations. These are valid concerns, but it seems most unlikely that option F would meet the criterion quoted above. It would be still worse for the markets for disruption to continue into next year and then for the Government to be forced to offer more money. And even if no more money were offered, the effect of threats to examinations on the Government's popularity could be damaging both for itself and for its effect on market confidence. The markets will anyway be increasingly jittery as next year advances, unless the Government has a clear lead in the polls.

Equally, the effect of going beyond option F at this time can be exaggerated. The unions and many teachers are likely to resist the package almost however generous the pay increase. For the Government to impose a pay settlement would have quite different effects on both market confidence and other union negotiators from one where the Government might be seen to be seeking to use public expenditure to win popularity. This does not point to options A or B but it does indicate something more generous than option F. (All of the options, including even the ^{costliest} ~~best~~, cost less than Coventry).

78
82

It would be so easy to throw it all away - a contract,
appraisal, a new pay structure - by being over-fearful about
the possible short term effects on the markets, forgetting the
later risks, which in my view may be greater.

DAN

David Norgrove

24 October 1986

VC2ANE



CBG
CB/uf

CONFIDENTIAL

Prime Minister

MISC 122

Phasing

1. I have just seen MISC 122(86)17. When we come to consider the various options for phasing set out in the paper on Monday we must remember that

- i. Main, unlike previous phased awards, is a 2-year deal, to March 1988;
- ii. no other phased award has had more than 2 stages;
- iii. the gap between stages in the past has been at most 10 months;
- iv. even with the 1985 TSRB award (which greatly upset the teachers and which for some gave awards of at least 16%) at least half the increase was paid in the first stage; and
- v. no previous staged deal involved both pay and fundamental reform of conditions of service in the interests of management.

For colleagues' convenience I attach a copy of the annex to MISC 122(86)16.

2. I need hardly remind colleagues that in Scotland we already have, in Main, a detailed and satisfactory blueprint for a settlement now. It is essential that we do not throw away this opportunity by a protracted phasing.

3. Copies go to members of MISC 122 and Sir Robert Armstrong.

MR

24 October 1986

REVIEW BODY RECOMMENDATIONS AND GOVERNMENT DECISIONS

Settlement date:	1984	1985	1986
April			
Armed Forces Recommendation	7.6%	7.3%	7.46%
Decision	3% from 1/4/84 + 4.6% from 1/11/84=4.92% in first year	7.3%	7.46% from 1/7/86 = 5.6% in first year
Doctors and Dentists Recommendation	6.9%	6.3%	7.6%
Decision	3% from 1/4/84 + 3.9% from 1/11/84=4.63% in first year	6.3% from 1/6/85 = 5.25% in first year	7.6% from 1/7/86 = 5.7% in first year
Nurses and Midwives Recommendation	7.5%	8.6%	7.8%
Decision	7.5%	5% from 1/4/85 + 3.6% from 1/2/86 = 5.6% in first year	7.8% from 1/7/86 = 5.85% in first year
Professions Allied to Medicine Recommendation	7.8%	7.2%	8.2%
Decision	7.8%	5% from 1/4/85 + 7.1% from 1/2/86 = 6.18% in first year	8.2% from 1/7/86 = 6.15% in first year
Top Salaries		Senior/military/judiciary civil servants	
Recommendation	6.5%	12.2% 17.6% 16.3%	6.5%
Decision	3% from 1/4/84 + 3.5% from 1/11/84 = 4.46% in first year	5% or half of increase, whichever is greater, from 1/7/85 + balance from 1/3/86 = 5.1% 7.3% 7.1% in first year	4% from 1/7/86 = 3% in first year



CONFIDENTIAL

CCP/G
L/UP

P 02311

PRIME MINISTER

Teachers Duties and Conditions of Service

MISC 122(86)17

DECISIONS

The Group must now reach decisions on the Government's strategy for settling the teachers' disputes in England and Wales and in Scotland. In particular, decisions are required on:

- i. the staging of a conditional offer;
- ii. the terms and conditions associated with that offer;
- iii. the extent to which Government should finance the offer;
- iv. the strategy for imposing a settlement if negotiations fail, including the question of early legislation.

2. In England and Wales, negotiations are due to resume at Nottingham on 8 November. Since the strong probability is that these will simply raise the bill, they must be pre-empted. It is also important that the consequences for public expenditure are known before the Autumn Statement is finalised. The option of taking the Autumn Statement at Cabinet on 6 November (a date not yet known to colleagues) must be kept open, and this strongly points to teachers' pay being considered by Cabinet on 30 October.

BACKGROUND

3. At the last meeting on 20 October, the Group agreed that the Government should stick by the principle that no extra resources would be provided until the employers and unions had agreed on an improved pay structure and new terms and conditions of employment. They agreed that in Scotland the Main report provided a broadly acceptable package, provided the cost was spread over more than one year. In England and Wales, they recognised the ground would need to be carefully prepared before any solution could be imposed, and that it might well be appropriate as a first step to indicate to the employers and unions that the Government would be prepared to offer finance on the same scale as in Scotland provided that they first reached agreement in Burnham on pay and pay structure and in CLEA(ST) on duties and conditions of service broadly equivalent to those recommended by Main. The Education Secretary was invited to bring forward proposals. (MISC 122(86)-13th Meeting).

THE ISSUES

A conditional offer

4. The Group has agreed that the opening gambit both north and south of the border might be a conditional offer, which would lead to a settlement negotiated through the existing machinery. The effect of this would be to bring the Government's immediate approach for England and Wales into line with that proposed by Mr Rifkind for Scotland. His proposal has always been to rely on SJNC to implement Main without delay. The key issue is the period over which the Government is prepared to see the Main pay increases implemented. The Education Secretary sets out a number of options (listed in paragraph 4 of his paper).

5. A fundamental issue for the Group to decide at the outset is whether to pitch their offer at a level which holds out a realistic prospect of a negotiated settlement. To achieve this the Education Ministers believe the offer must be more generous than that made by Sir Keith Joseph last year, and that Option B in the paper is the furthest it is safe to go in staging. The

alternative is to go for a less generous offer, with an increased risk of rejection by the unions. In this case, the conditional offer would be merely tactical, to prepare the ground in Parliament and with the public before stepping in with an imposed solution. The Chief Secretary favours Option F, which is the cheapest and the only one whose cost in 1987-88 is consistent with Sir Keith Joseph's original offer. There seems little doubt that this would be rejected. Other Ministers favour options between these extremes, and the Group must balance the advantages of a negotiated settlement against the higher cost and greater risk of repercussions elsewhere. The possibility of a further pay increase with effect from 1 October 1986 if agreement were reached on the Government's terms through negotiations, combined with the implicit - or explicit - threat that no money would accrue before 1 April 1987 if the Government had to impose a solution, could serve as a spur to successful negotiations, provided the Government offer a staging which teachers and the general public will regard as reasonable. Mr Baker, however, seems to contemplate a backdated increase for 1986-87, once legislation is in place.

6. As for terms and conditions, in Scotland the Main report provides a broadly acceptable package, and it would be unrealistic to expect to add any new requirements now. For England and Wales, the Education Secretary has prepared a package (at Annex A) which seeks to mix the best elements from Coventry and Main. This has the advantage that the unions have already agreed the Coventry components (although only in return for a substantially higher maximum to the Main professional scale than now contemplated), but lacks the advantage of endorsement of an independent committee.

Local authority contribution

7. The pay increase recommended by Main subsumed the normal 'cost of living' increase for April 1987. It is therefore reasonable that local authorities (LAs) should be expected to finance that proportion of the total increase from the provision already made available to them. The Group must decide how large that offset should be. There are two possibilities:

i. to assume the LAs will meet 5.75 percentage points of the 1987-88 increase above present salary levels from funds already available from the RSG settlement made in the summer, as assumed in the Treasury Forecasts;

ii. to make additional provision above the 3.75 per cent factor (ie the forecast of the GDP deflator) used in presenting the RSG settlement as broadly providing for unchanged expenditure levels in real terms.

This issue is, as Mr Baker notes, being pursued separately. The first approach risks disputes with LAs and giving the impression of endorsing 5.75 per cent pay increases for all LA employees. The second would involve additional provision (assuming full main rates are in payment in 1987-88) of £130 million. It should be possible to postpone a final decision on this for a short time, on the basis that the Government will fully underwrite whatever they have decided but have yet to calculate the precise figures. But the need to fix LA budgets for next year means that the issue cannot be postponed for long.

Imposing a solution

8. The Government must be clear now on its fall-back strategy in case a negotiated solution cannot be achieved. The precise details do not need to be settled at this stage. But it would be prudent to begin preparing the legislation now, as Mr Baker suggests. The Government must also consider tactically how far they should declare their hand. The employers and unions cannot be given unlimited time to complete their discussions, because local authorities should if possible be in a position to know the cost on the pay bill and the resources and grant flowing from Government before they set their budgets for 1987/88. Moreover, the longer a settlement is delayed the greater the scope for the unions to mount a campaign of disruption; and the greater the difficulties in securing early legislation.

9. If the target were to have legislation in place by 1 April, the Business Managers consider that it would certainly have to be introduced and have a second reading before Christmas. This means that the unions and employers would have to make significant progress within about four weeks of the Government's conditional offer, and this timescale would have to be indicated to them. In practice, given that some unions will wish to undertake ballots, a final settlement might not be achieved on this timescale, but the picture should be sufficiently clear by the beginning of December for the Government to decide whether immediate legislation is required in either country. This points to the initial Government statement saying that Ministers were looking for the negotiations to be essentially completed by, say, 10 December, and that if the issue could not be resolved satisfactorily by then, the Government would have to find other ways of settling the problem.

Nature of the Legislation

10. On the Education Secretary's proposals for legislation, three issues arise:

i. Two Bills or one?

Mr Baker still envisages (paragraph 20) a swift, urgent Bill to remove the Burnham machinery, followed by a longer Bill establishing the new interim Advisory Committee and giving him powers to determine conditions of service. The Business Managers remain of the view that this procedure will run into difficulty in Parliament. It is not clear that such a Bill would be needed unless Burnham seeks either to introduce new salary levels (probably higher than now suggested by analogy with Main) without conditions or to remit pay in 1986-87 to arbitration; in that event the Government would have a clear reason for quick action in advance of the more comprehensive Bill. The possibility cannot, therefore, be ruled out.

ii. Specific Grants

Mr Baker has picked up the suggestion made at the last meeting that the provision of extra grant should be conditional on local authorities implementing the Government's

policies. The Chief Secretary and other Ministers have doubts on the ground that this approach would change fundamentally the relationship between central and local government and should therefore only be undertaken after careful consideration; that in practice discretionary penal powers are difficult to use effectively (particularly given the risk of judicial review); and that specific grants have a tendency to be used as a lever to increase spending. This issue need not, however, be decided now. If the Group consider it worth pursuing further, a more considered paper on the topic might be commissioned and Mr Baker would need to keep the options open in any public statements in the meantime.

iii. Terms of reference for the Advisory Committee

Mr Baker argues that the Government could not seek an unfettered power to fix teachers' pay and conditions; such a power could only be exercised in the light of the recommendations of an Advisory Committee which could only be set aside with the support of Parliament. The Chief Secretary is concerned that such arrangements would unduly tie the Government's hands, and that the Committee might refuse to work within the cost envelope specified by the Government. The first issue is a straight political judgement whether the role of the Committee could command the confidence of the teachers and the general public if its recommendations could readily be set aside; Mr Baker thinks not. On the second, the Government could be confident that the Committee would work within the Main envelope for 1987-88 (and the Government could insist on this in advance); but in subsequent years such a restriction could not be imposed (there would be no Main report to justify it), and the effect would inevitably be to destroy its validity in the eyes of teachers.

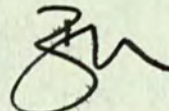
11. There is also a problem over the question of legislation for Scotland, on which the Group ought to reach a clear conclusion. If the Government accept the Main recommendation that the role of

the SJNC should be ended and that an independent body be established in its place, legislation will be necessary. This is not made clear in this paper, but paragraph 25 acknowledges that legislation would be necessary if the SJNC failed voluntarily to reach an acceptable deal. In order to reduce the chances of the SJNC rejecting the deal, the Scottish Secretary would like to fudge the question of legislation for a few weeks. The knowledge that they were to be hanged by legislation on the morrow would, in his view, drive them in exactly the opposite direction from that desired. However, if Mr Baker is obliged to declare at the outset his full legislative intentions (ie replacement of Burnham by new arrangements) it would be more difficult for the Scottish Secretary to conceal his ultimate intentions. You will need to ask the Scottish Secretary to clarify his intentions on this.

HANDLING

12. You will wish to invite the Education Secretary to introduce the paper, and the Scottish Secretary to add any comments. The Chief Secretary, Treasury will wish to speak generally and in particular about the staging options. The Welsh Secretary, Environment Secretary, and the Chancellor of the Duchy of Lancaster will also have views. The Lord President of the Council and the Lord Privy Seal will have views on the Parliamentary tactics.

13. If agreement on how to move forward is in sight, you will want to arrange for a paper for consideration by Cabinet next Thursday (30 October).



J B UNWIN

Cabinet Office
24 October 1986

CONFIDENTIAL

CCBG



Treasury Chambers, Parliament Street, SW1P 3AG

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

NBM

24 October 1986

Dear Secretary of State,

TEACHERS' PAY

Thank you for your letter of 20 October. You ask for my agreement that you could disregard £27 million of the cost of the interim award in Scotland this year when you calculate grant penalties.

We discussed this in July, when you agreed to withdraw your earlier request for a disregard, in exchange for my agreement that you could use slacker tariffs in the grant penalty calculations, to bring the total penalty down to £125 million based on local authority budgets.

When you lodged that earlier request both Kenneth Baker and Nicholas Ridley pointed out that any announcement would have repercussions for England and Wales. I think that is still true. I do not think it would be sensible to consider this except as part of our total package on teachers' pay, which we will be discussing again on Monday in MISC 122.

I therefore asked my office to inform yours that you could give no indication to COSLA that we would be likely to accede to their request for a disregard.

I am copying this letter to the Prime Minister and to colleagues in MISC 122.

Yours sincerely,

John MacGregor

PP JOHN MacGREGOR

*(Approved by the Chief Secretary
 and signed in his absence)*

CONFIDENTIAL

EDUCATION : Teachers pay pt8.





CABINET OFFICE

With the compliments of

J. B. UNWIN

70 Whitehall, London SW1A 2AS
Telephone 01 233

c. for info Mr Norgton

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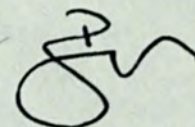
Mr Wiggins

KO1408

As agreed with Mr Langdon

MR ELAND

cc Mr Unwin ✓
Miss MacNaughton



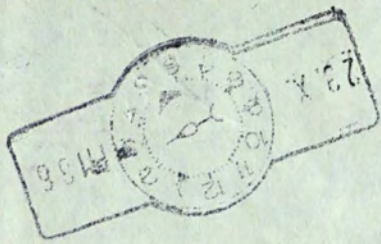
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For the record, I have told Sir George Engle that the Lord President wishes everything to be done to get into a state of readiness for preparing teachers' pay legislation, on the principle that not to do so would close options. Sir George is asking Mr Sellers to drop other commitments and start background reading on teachers' pay straightaway.

A.J.L.

A J LANGDON

22 October 1986





CSB9

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

Rt Hon John MacGregor OBE MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

20 October 1986

Dear Chief Secretary.

NBPN at this stage

TEACHERS' PAY

In parallel with our discussions in MISC 122 concerning the Government's reaction to the Main report and the equivalent handling of teachers' pay and conditions of service in England and Wales, I have to raise with you a more technical point which affects the outcome in Scotland only. I refer to the fact that our officials have, I believe, been unable to resolve a difference of view about the case for a disregard (for grant penalty purposes) in respect of that element of current expenditure to which local authorities are already committed by reason of the interim pay award to Scottish teachers, ie pending Main. Local authorities estimate that the cost of that award will be £27M in excess of the allowance made in their budgets for the current year.

If we are to deliver the objective of securing peace in the schools, we need to find ways to carry the local authorities with us when we present our response to the Main package. When the interim award was made in Scotland I made it clear that the Government would not give any disregard in respect of 1985-86. As for 1986-87, I explicitly reserved the Government's position until Main had reported. In the event, Main included a specific recommendation that the interim award should stand. In these circumstances it would frankly be impossible for me to defend penalising the local authorities for paying the interim settlement when the Government proposes to endorse Main with its higher pay levels and resource local authorities accordingly.

COSLA of course will wish not only a disregard for expenditure on the interim settlement but also grant at the appropriate level. They will argue that since we have extended this year's grant percentage into next year as a measure of stability, that percentage ought certainly to apply

to additional interim expenditure which is part of the price of ending disruption. In order to avoid embarrassment to colleagues I am prepared to resist the claim for grant, but if no disregard is given the Scottish system of grant penalties will mean that ratepayers are doubly penalised.

I am of course bearing in mind the position of colleagues in England and Wales who have not sought a disregard in respect of the interim pay settlement south of the border. But there is a crucial difference. Any overspending by English and Welsh local authorities will not lead to any overall loss of grant in 1986-87 (although there will be some reallocation amongst authorities.) Ratepayers as a whole will therefore not face the double cost that those in Scotland will. A disregard in Scotland this year simply maintains Scottish authorities in the same position as their southern counterparts.

The purpose of our grant penalty regime is of course to encourage authorities to spend within provision by penalising those who do not. There can be no justification for using this control measure against authorities which are meeting a pay award which we are endorsing. The situation is closely comparable to Police pay where we provide a disregard (and extra grant) for any Police pay increase over the level provided for in the RSG settlement. Our critics will be quick to recognise the clearly separate treatment of teachers if we do not grant the disregard.

I understand that in resisting the case for a disregard your officials have referred to a condition included in your letter of 11 July about grant penalties in the current year. Our discussions of 10, 14 and 16 July - in the context of which that letter was written - were essentially concerned with finalising the long drawn out exchanges about the quantum of grant penalties for 1986-87 and the RSG settlement for 1987-88 (exclusive of Main). I must say that I find it hard to believe that you would now wish to found on this when we are poised to accept the Main report and work for all the benefits it would bring. Besides, both MISC 122(86) 14 and 16 contain statements to the effect that no grant penalties should arise for local authorities because of the implementation of Main; if that principle, with which I agree, is to be properly applied we must allow disregard on the costs of the 5½% interim settlement which Main has now endorsed.

I have to say that if you can not meet me on this point I will be in grave difficulties in putting a positive presentation both to COSLA and the Scottish public. The teachers will be looking for an opportunity to wreck the prospects of a settlement if they detect lack of conviction on the part of the Government; and the authorities' desire to make progress will be weakened if we do not play our full part. I am committed to meet COSLA on 24 October and I have been alerted to their intention to press for the disregard quite independent of the question of resources tied to the rest of the Main pay package.

I am copying this to the Prime Minister and other members of MISC 122.

Yours sincerely
Malcolm Rifkind

MALCOLM RIFKIND

Approved by the Secretary of State and signed in his absence

21.X
1956
PH 136



10 DOWNING STREET

Statement issued to the press
by Kenneth Baker on 20.10.86

'The news that the NAS/UWT are going to indulge in half day strikes is shameful and disgraceful. It is an act of high irresponsibility for professional people to inflict suffering on children in this way.'

Kenneth Baker

JCB



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

20 October 1986

Dear Alex,

PUBLIC EXPENDITURE AND TEACHERS' PAY

The main discussion at yesterday's Seminar at Chequers is recorded separately.

On public expenditure, the only point worth recording is that the Prime Minister expressed concern over the effect that maintaining electricity prices constant in real terms would have on the prospects for inflation during the coming year.

Teachers' pay was also discussed. The main points are recorded on the sheet attached, which was prepared as an aide memoire for use by the Prime Minister and Lord Whitelaw at today's meeting of Misc 122.

I am copying this letter and enclosure to Jill Rutter (Chief Secretary's Office, HM Treasury).

*Yours,
David.*

(DAVID NORGROVE)

Alex Allan, Esq.,
HM Treasury

SECRETPOINTS OF CONCERN ON THE EDUCATION MINISTERS' PROPOSALS ON
TEACHERS' PAY

1. Cost. The increase in public expenditure to be announced in the Autumn Statement risks a very damaging effect on the markets. To announce a huge increase in spending on teachers' pay before the Autumn Statement would compound that. This points to refusing to go beyond the "£1¹/₄ billion". (Option (iii) in the paper costs less than £1¹/₄ billion.)
2. Conditionality. Mr. Baker would pay 8.2% now, on existing pay scales. More of the money should be kept back to be used to finance the new pay structure and to give more inducement to the teachers to agree to the new terms and conditions.
3. Legality. There is a risk that the proposal to legislate to abolish Burnham but to make the effect of the legislation retrospective to the date of the announcement would be overturned by a judicial review. The Attorney General will be advising. How difficult would it be to get the legislation through the House of Lords?
4. Enforcement. The Government may have to secure a right to bring actions against disruptive teachers. The Government could become a party to the contract under the second of Mr. Baker's two bills, but that may be too slow.
5. Tactics. MISC 122 has throughout not felt able to hijack the ACAS process, and the public perception is that the Government is in favour of the Coventry process. It would be a great shock and cause antagonism if the Government announces imposition of Main on Thursday. It may be better to wait until the public begin to perceive that Coventry is actually breaking down. Tuesday 4 November would be a possible date for the announcement.

SECRET

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SECRET

Expenditure costs fm

	1986-87	1987-88
Option (i)	475	600
Option (ii)	240	600
Option (iii)	115	160
£1½billion	200	260

Stop disruption

Pay structure

condition of service



cc B/110

CONFIDENTIAL

P 02293

PRIME MINISTER

Government Decisions on School Teachers' Pay

MISC 122(86) 16 - Mag A.

DECISIONS

1. The Group will need to reach decisions on:
 - i. the staging of any pay settlement;
 - ii. how to impose a settlement in England and Wales;
 - iii. an interim advisory committee for England and Wales;
 - iv. how the Main Report should be implemented in Scotland.
2. The Group's conclusions will need to be reported to Cabinet on 23 October, with a view to a Parliamentary statement that afternoon.

BACKGROUND

3. At the meeting on 14 October, the Group invited the Education Secretaries to bring forward proposals on options for staging the implementation of Main in Scotland and for imposing a broadly similar settlement in England and Wales. They were also invited to set out detailed proposals for legislation giving the responsible Ministers appropriate powers over teachers' pay and conditions of service, and the possible need to reform the Scottish negotiating machinery.

THE ISSUES

Staging

4. The Education Secretaries' paper gives four options: immediate implementation, two options for phasing over two years, and an option of phasing over three years.

5. Staging would reduce the cost of any settlement and the rate rises needed to pay for it. Staging should also reduce the repercussions on other wage negotiations, although the main defence against these would have to be the tightening of duties and conditions of service which are an integral part of it. But staging would undoubtedly increase the chance of renewed industrial action, and would provide a justification for the unions to resist the tighter terms and conditions part of any package. Moreover, the likelihood of the Government securing public support for an imposed settlement may be reduced if the pay element is seen to be long delayed.

6. The Main Report itself recommended a pay settlement to last until March 1988, with no normal cost of living increase in April 1987. Options (ii) and (iii) are staged over this timescale, with two and three steps respectively. Option (iv) is staged over three years, and is therefore closer to the Government's original conditional offer of extra finance.

7. If staging were to be adopted, the initial decision is therefore between two and three year implementation. Three years (i.e. option (iv)) would obviously be cheaper, but the long delay in the payment of much of the recommended increases would give the unions grounds for refusing to deliver at the outset their side of any bargain. Options (ii) and (iii) (both two years) differ in that the initial pay rise (and thus total salary payments in the year 1987/88) is smaller under (iii): this makes it cheaper, gives more headroom in England and Wales for the new salary to be devised by the proposed Advisory Committee, and should limit the repercussions for other pay negotiations. The Chief Secretary recommends this course; but to pay Scottish teachers only one quarter of the increase recommended by Main would greatly increase the risk that the whole strategy would

fall at the first hurdle.

Expenditure and Rates Implications

8. Paragraph 5 of the paper shows the implications of each options for expenditure, grant, and rates. These assume that the Government will pay grant in the normal proportion on the full increase in expenditure. In themselves these increases may seem relatively modest, even for options (i) and (ii); but the incidence would vary among authorities, and the increases would be superimposed on whatever other rate increases are already in the pipeline.

Imposition in England and Wales

9. The Secretary of State proposes to abolish Burnham, impose an interim settlement by fiat, and establish an interim advisory committee to recommend on pay and duties from April 1987. If the Group endorses this broad strategy, there are two issues to be considered:

(i). Parliamentary Override.

No Should the Secretary of State's power to vary the recommendations of the advisory committee be subject to a Parliamentary affirmative resolution procedure? The Secretary of State proposes this - it would seem difficult to deny the teachers any negotiating rights without some corresponding safeguard. The Chief Secretary, however, argues against this proposition, on the ground that it does not apply to the other review bodies, and that in practice it would probably always be too politically difficult to use the override. (If the Government staged Main over any extended period, the unions would have a stronger argument that the Government "cannot be trusted to deal fairly" with recommendations from an independent advisory committee in the absence of such a safeguard.)

(ii) Legislation

The Secretary of State is proposing two bills - an urgent, short bill to abolish Burnham and provide for the interim pay settlement. The longer bill would deal with the advisory committee and the Secretary of State's powers to promulgate pay, duties and conditions of service. The Business Managers believe that this tactic will not be acceptable to the House; it is already proposed to use it in the local government field (abolishing grant recycling is a short urgent bill), and twice in one session would be too much. But if this route is not followed, there is a risk of Burnham agreeing a maverick settlement to the great embarrassment of the Education Secretary. Provided, however, it is made clear immediately that any such settlement would be set aside, and that no additional funds would be provided for the current year unless the local authorities undertook to comply with the Government's wishes, it should be possible to avoid this problem. If legislation is delayed until the New Year, it might even be possible to have Burnham put whatever interim increase is agreed into place as its last act before its abolition.

Scotland

10. The position in Scotland on future pay determination machinery is more difficult. It seems possible that, provided that Government make resources available, Main can be implemented through the existing SJNC machinery. To impose a settlement by legislation would therefore be provocative and unnecessary. But to leave the SJNC in place poses difficulties: the English unions and employers would themselves prefer something on the existing Scottish model, and the Government's case for imposing a different solution would be weakened if the SJNC were allowed to continue indefinitely. Moreover, to have radically different systems operating North and South of the boarder risks perpetuating the Government's problems where the teachers seek to secure the best of what is on offer in either country.

11. If, therefore, negotiations are to be replaced in England and Wales by an Advisory Committee, the Government must make clear from the outset that broadly comparable arrangements will in due course apply in Scotland. It would be very awkward if the Scottish unions were to accept Main on condition that there would be no Advisory Committee. There may be some presentational advantage in delaying publication of a Great Britain Bill abolishing the present negotiating machinery until Main has been accepted, but it must be very questionable whether future arrangements in Scotland should be left to be settled in a separate Bill in the 1987-88 Session.

12. Northern Ireland have hitherto followed Burnham. As noted at the Group's last meeting, it is questionable whether pay parity with England should be maintained. The answer might be that future salaries in Northern Ireland would be for consideration by the Advisory Committee alongside those in England and Wales (with the Committee having been explicitly invited to consider geographical variation).

NEXT STEPS

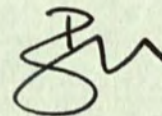
13. Subject to the discussion, you will wish to invite the Education Secretaries to circulate on Wednesday a note for Cabinet on Thursday. It will also be necessary for them to discuss with the Secretary of State for the Environment and the Chief Secretary, Treasury the precise details of the changes in local authority provision and in Aggregate Exchequer Grant required to implement whatever the Group's decisions. Further consideration could also take place separately of Mr Baker's proposals for greater use of specific grants.

14. The Education Secretary sees a strong case for a statement on Thursday afternoon: in addition to avoiding speculation in the weekend press, this would preempt the meeting of the Burnham management panel scheduled for Friday. If the Group accepts this urgency you will wish to invite the Education Secretaries to circulate drafts of their respective statements to the Group without delay.

CONFIDENTIAL

HANDLING

15. You will wish to invite the Education Secretary to introduce the discussion, and the Scottish Secretary to add his comments. The Chief Secretary, Treasury will wish to respond. The Employment Secretary or Paymaster General will wish to speak on labour relations and negotiating machinery; the Environment Secretary on implications for local government finance and the Lord President and Lord Privy Seal on the Parliamentary and legislative aspects. The Northern Ireland and Welsh Ministers will also need an opportunity to speak.



J B UNWIN

Cabinet Office
17 October 1986

CONFIDENTIAL

CCB/dep

PRIME MINISTER

17 October 1986

MISC 122 : Teachers' Pay

The timing of the announcement

Kenneth Baker is set to pursue a high-risk strategy. This is his first public response to Coventry. Up till now he has encouraged it. A DES official attended the Coventry weekend. He has supported ACAS. And he has made encouraging noises to both unions and management. Sir John Wood (ACAS Chairman) is at present calling in all unions to see him individually with a view to taking things forward on the weekend of 8 - 9 November.

Against this background Kenneth Baker's announcement next Thursday that he is to impose a settlement will come as a bombshell. He is nevertheless sanguine about the outcome as

(a) Coventry has made little progress in discussing terms and conditions,

(b) the generosity of the deal itself (far better than even what the unions agreed at Coventry), and

(c) the new Advisory Committee being interim rather than permanent.

While his strategy might well succeed ultimately it will not be without a great deal of insult and injured pride. He needs to consider whether it would be best to allow the weekend meeting to go ahead and then step in after it has failed, as fail it certainly will.

Specific points which need to be noted.

CONFIDENTIAL

1. Presentation

The document is headed "Government Decision on Schoolteachers Pay". This is incomplete and fundamentally misleading. This deal is a major restructuring of the teaching profession in which duties, terms and conditions are as vital as pay itself. If this is presented as yet another pay deal its whole effect on the public sector could be disastrous.

Recommendation

Make sure that both Baker and Rifkind do not announce it as a settlement on teachers pay - but something far more comprehensive.

2. Conditionality

In each of the phasing options there is a major difference between the recommendation for Scotland and that for England and Wales. Scotland is awarded the higher pay, conditional upon an agreement on pay structure, duties and conditions. England and Wales is awarded the higher pay without any reference to conditionality. This will certainly deter union opposition. But it will be a disastrous move. In view of the unions' reluctance to agree terms and conditions at Coventry, there is no guarantee whatever that if they are given their money they will then deliver the Main conditions.

Recommendation

Not a penny of the generous Main settlement should be paid until the unions have signed up for its conditions.

or enough teachers are ready to reject their unions' advice, pay only to those who accept the terms?

CONFIDENTIAL

3. Salary Bills and Pay Scales

There is another important difference between the proposals for Scotland and England and Wales. Option 1 for Scotland is a 16% increase in the pay bill, but with some teachers getting less and others, especially headmasters, considerably more. By contrast Option 1 for England and Wales is 8.2% on existing scales, and then 8.2% to be distributed by the new advisory body. This is quite different from Main's recommendation. Once again the unions are likely to accept the first stage and then predictably, threaten industrial action at a later date over the second. Worse still 8% could easily become the going rate this winter for the pay round in the public sector.

Recommendation

England and Wales should be implemented in a similar manner to Scotland.

4. Options 1-4

Option 1 would minimise conflict with the unions but is expensive. But this front-end loading makes it very expensive. Phasing has been accepted by other professions and should be tried in this case.

Recommendation

Opt for Phase (ii).

5. Advisory Committee

It is important that the function of this Committee is limited to advice on pay, terms and conditions and does not extend to monitoring results, for reasons given in my

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earlier note.

Recommendation

If the DES wishes someone to monitor the implementation of Main, why not use the local Authority Audit Commission.

6. Decentralisation

Important that he make it clear he is not creating just a National Education Service.

Recommendation

Ensure that his radical options paper sees the light of day in the foreseeable future.

promised for the end of next week.

B.G.
/

BRIAN GRIFFITHS

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cc Blue

PRIME MINISTER

17 October 1986

MISC 122 : Teachers' Pay

The timing of the announcement

Kenneth Baker is set to pursue a high-risk strategy. This is his first public response to Coventry. Up till now he has encouraged it. A DES official attended the Coventry weekend. He has supported ACAS. And he has made encouraging noises to both unions and management. Sir John Wood (ACAS Chairman) is at present calling in all unions to see him individually with a view to taking things forward on the weekend of 8 - 9 November.

Against this background Kenneth Baker's announcement next Thursday that he is to impose a settlement will come as a bombshell. He is nevertheless sanguine about the outcome as

(a) Coventry has made little progress in discussing terms and conditions,

(b) the generosity of the deal itself (far better than even what the unions agreed at Coventry), and

(c) the new Advisory Committee being interim rather than permanent.

While his strategy might well succeed ultimately it will not be without a great deal of insult and injured pride. He needs to consider whether it would be best to allow the weekend meeting to go ahead and then step in after it has failed, as fail it certainly will.

Specific points which need to be noted.

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1. Presentation

The document is headed "Government Decision on Schoolteachers Pay". This is incomplete and fundamentally misleading. This deal is a major restructuring of the teaching profession in which duties, terms and conditions are as vital as pay itself. If this is presented as yet another pay deal its whole effect on the public sector could be disastrous.

Recommendation

Make sure that both Baker and Rifkind do not announce it as a settlement on teachers pay - but something far more comprehensive.

2. Conditionality

In each of the phasing options there is a major difference between the recommendation for Scotland and that for England and Wales. Scotland is awarded the higher pay, conditional upon an agreement on pay structure, duties and conditions. England and Wales is awarded the higher pay without any reference to conditionality. This will certainly deter union opposition. But it will be a disastrous move. In view of the unions' reluctance to agree terms and conditions at Coventry, there is no guarantee whatever that if they are given their money they will then deliver the Main conditions.

Recommendation

Not a penny of the generous Main settlement should be paid until the unions have signed up for its conditions.

or enough teachers are ready to reject their unions' advice, pay only to those who accept the terms?

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3. Salary Bills and Pay Scales

There is another important difference between the proposals for Scotland and England and Wales. Option 1 for Scotland is a 16% increase in the pay bill, but with some teachers getting less and others, especially headmasters, considerably more. By contrast Option 1 for England and Wales is 8.2% on existing scales, and then 8.2% to be distributed by the new advisory body. This is quite different from Main's recommendation. Once again the unions are likely to accept the first stage and then predictably, threaten industrial action at a later date over the second. Worse still 8% could easily become the going rate this winter for the pay round in the public sector.

Recommendation

England and Wales should be implemented in a similar manner to Scotland.

4. Options 1-4

Option 1 would minimise conflict with the unions but is expensive. But this front-end loading makes it very expensive. Phasing has been accepted by other professions and should be tried in this case.

Recommendation

Opt for Phase (ii).

5. Advisory Committee

It is important that the function of this Committee is limited to advice on pay, terms and conditions and does not extend to monitoring results, for reasons given in my

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earlier note.

Recommendation

If the DES wishes someone to monitor the implementation of Main, why not use the local Authority Audit Commission.

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promised for the end of next week.

B.G.
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BRIAN GRIFFITHS

SUBJECT
cc master

SECRET

FILE

CAJ



8

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

14 October 1986

TEACHERS' PAY

The Prime Minister discussed teachers' pay this morning with the Chancellor and the Chief Secretary. Professor Brian Griffiths was also present.

I have already reported the meeting's conclusions to your office and to Jill Rutter, but briefly they were as follows.

The Prime Minister was clear that it would not be feasible to pay to the local authorities only the Government's share of the "£1½ billion", leaving them to finance the rest of whatever emerged finally from the Coventry discussions. The effect on local authority rates would not be tolerable and the result would be much higher pay for teachers with terms and conditions in some ways worse from the Government's point of view than those which were now in place.

After discussion the Chancellor and Chief Secretary undertook to consider arrangements under which Mr. Rifkind and Mr. Baker would announce the Government's agreement, subject to the agreement of both employers and teachers, to a closely defined "de minimis" version of Main. The cost the Government was prepared to underwrite would also be clearly defined and limited. The Government would pay grant to local authorities to support staged payments to teachers. The effect on the rates would need to be carefully considered. Grant would only be paid if the Government's conditions were met and it would be withdrawn if the conditions ceased to be met.

It was recognised that this package would necessarily involve the abolition of Burnham in order to avoid the local authorities and teachers forcing through a pay settlement which would be unacceptable to the Government. A Standing Advisory Committee would be needed until more radical ideas on the reform of education could be brought to fruition.

I am copying this letter to Jill Rutter in the Chief Secretary's Office.

DAVID HORGROVE

A. C. S. Allan, Esq.,
H.M. Treasury

SECRET

c. BS.
BJUP.

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

PRIME MINISTER

MISC 122: TEACHERS' PAY mf

I have seen the report by the Official Group MISC 123.

I cannot emphasise too strongly my concern about the risks we run if we go soft on this. So far, since we came to office in 1979, we have managed to avoid the sort of catastrophic exercises which our predecessors engaged in in this sort of area, such as Wilberforce, Halsbury, Houghton, Clegg - the list goes on and on. They have all been expensive and in the long run created more problems than they solved. That is why I was always so anxious to avoid any similar independent enquiry into teachers; and the way Main has turned out to be even worse than letting the employers and employees get on with it by themselves as at Coventry shows that this prejudice was well-founded. But we are now stuck with the position we have, and in taking our decisions we will have to weigh very carefully the effect they will have on a difficult pay scene, particularly in the public services where we are only just keeping the lid on, on public expenditure, where our willingness and ability to hold to our target is already suspect, and on the markets, where the position needs no elaboration at the present time.

Against this background it seems to me that there is only one option we can contemplate, which is the second option identified in the paper by officials: providing our share of the additional funds required up to what is left from the £1,250 million and Scottish equivalent which I agreed with Keith Joseph and George Younger in August last year, and no



more. The benefits on pay structure and conditions of service, even if delivered, do not seem worth even that much, but I accept that in practice it would be difficult now to withdraw what was offered then. Providing full Government grant to fund additional pay increases which are far larger than we believe justified would set a disastrous precedent, and would undermine our drive to increase local accountability. Equally, a refusal to do this would at the very least persuade the local authorities to phase in these massive pay awards rather more gradually than Main, at least, envisages. Nor do I believe the consequences for rate increases would be prohibitive.

I appreciate the Education Ministers take the view that this may not bring lasting peace, but we cannot afford to buy peace at the price of a blank cheque. Nor would the public expect us to. In any event, the local authority employers will not in practice go back on the offer they have agreed at Coventry, and the risk of a further teachers' strike is thus minimal. And even if it were to occur, it would not, in these circumstances, redound to the disadvantage of the Government.

I am copying this to the other members of MISC 122 and to Sir Robert Armstrong.

ACS Allan

pp N.L.

13 October 1986

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



PRIME MINISTER

TEACHERS PAY

Tomorrow risks a real clash between the Treasury and DES. The Chancellor feels personally that DES let the Government down over the £1¹/₄ billion. He does not trust them now when they say that to pay for Main would achieve the Government's objectives. He also fears that Mr. Baker's approach amounts to writing a blank cheque.

I suggest that your meeting tomorrow should explore whether his proposal to pay only the Government's share of the £1¹/₄ billion is realistic, and to see whether he could agree to a higher strictly defined figure which would buy peace in the schools and proper terms and conditions.

My own feeling - shared by Brian Griffiths and Peter Warry - is that the teachers will one way or another receive pay increases broadly equal to those proposed by Main and if things go wrong they could receive more than that. In those circumstances the question is not so much the likely size of the pay increases (though that is important) but how much of the pay increases will be met by central Government, and what value the Government will get for the money.

There is a great risk here of falling between the various stools. Discussions between the two sides might continue after the Government's "final" offer of its share of the £1¹/₄ billion. If they reached agreement, the Government, not the local authorities, would be blamed for the very large rate increases. If the discussions instead ended after the Government made its offer, the Government would be blamed for the resulting disruption. If the Government offers less than Main, but asks for Main terms and conditions, the teachers might unite behind their union leaders to seek whatever level of pay - possibly higher than Main - is by then in their minds.

Staging is certainly worth considering. But the Government would need to feel confident that the teachers would be prepared to live with that and still accept Main against the advice of their unions. Again the risk is that the Government would have offered more money, but would face very great difficulty in pushing through the better terms and conditions.

If the Government offers to translate Main to England and Wales and to pay for it, this needs to be defined in terms of a precise amount of money, in terms both of public expenditure and of central Government grant. Peter Warry points out that there are many loose ends in Main which could prove expensive: the Government should not undertake to finance them. Nor, and this will be the Chancellor's concern, should the Government seem willing to countenance higher pay increases than the figures mentioned by Main.

Tactics are also very important. In earlier discussions MISC 122 felt it would be dangerous to hijack the Coventry process by government proposals. Yet Mr. Baker seems now to want to do just that, even though the Coventry discussions have not yet broken down.

A further weakness of Mr. Baker's proposals is that he seems to want to pay the extra money to teachers before the new terms and conditions are in place. If teachers pocket extra money now, but the tighter conditions come in next Spring we risk renewed disruption then. A delay designed to make the two things coincide should be understood by the public at least.

A possible alternative way of proceeding would be as follows. Mr. Rifkind would announce on Tuesday that the Government was prepared to accept and finance its share of Main. A figure would be put on the public expenditure cost of Main, and the usual percentage would be paid by central Government. There would be no blank cheque.

For England and Wales Mr. Baker would announce that the Government would be prepared to finance Main, again with a defined cost, provided both sides accepted this. The unions would almost certainly reject this and take it as an indication that the Government would be prepared or forced eventually to finance something more satisfactory to them than Main. Once this became clear the Government would have to be prepared to legislate.

The Government would not have hijacked Coventry. But this would not be an easy option. Many members of the NUT are militant and would reject, with disruption, any imposed settlement. There would however be a large number of teachers who would find it difficult to reject a settlement of the size of Main.

It may be worth having a further discussion with Cabinet Office and Brian Griffiths if possible before MISC 122 tomorrow afternoon. You would need to leave the Daily Telegraph lunch by 1415 or so. Do you wish to do that?

*It is just possible
to get away by that time
no*

DN

David Norgrove

13 October 1986

JA2AEI

PRIME MINISTERTEACHERS' PAY

There are several meetings on teachers' pay arranged for the coming week

- on Monday afternoon a meeting with Brian Unwin and John Wiggins, followed later by a meeting with Mr. Baker and Mr. Edwards;
- on Tuesday morning a meeting with the Chancellor and the Chief Secretary;
- on Tuesday afternoon, MISC 122;
- on Wednesday afternoon a second meeting of MISC 122.

The meeting with the Cabinet Office will give you an opportunity to discuss the paper and to hear how the departments most closely concerned view the issues. I have fixed the meeting with Mr. Baker and Mr. Edwards before the one with the Treasury so that you will be better able to judge how realistic or otherwise the Treasury's position is.

I understand the Chancellor and the Chief Secretary are likely to argue that the Government should pay its 46% of the £1 ¹/₄ billion (less the amount already paid for midday supervision), and no more. If local authorities want to offer more that would be up to them. The Treasury believe talk of more disruption is exaggerated and that anyway if local authorities wanted to pay for Main and Coventry the resulting increases in rates would be tolerable. (The figures are set out in paragraphs 21-24 of the Cabinet paper.)

It seems increasingly clear that the Coventry agreement is not worth the Government's support. It already offers a worse promotion structure than teachers enjoy at present, and its costs increase week by week. Indeed it seems to be disintegrating. (In this context see the report enclosed from today's tapes.)

If this is accepted the choice lies between the "1¼ billion" and adopting Main in some form. The extra public expenditure cost in 1987-88 of Main in England, Wales and Scotland together beyond the £1¼ billion would be around £400 million, on the assumption that teachers would anyway have had a 5⅜ pay increase and leaving aside any knock-on-effects.

Two major points to explore on Monday are thus

- (i) what would be the consequences of paying over only the Government's share of the £1¼ billion;
- (ii) would it be possible to reduce the cost of Main, perhaps by phasing in the pay increases more slowly (paragraph 37-38 of the Cabinet Office paper)?

With the Chancellor and Chief Secretary it would also be worth discussing the presentation of the figures. It will be that much easier to present a huge increase in the planning total if the Government can argue that it will among other things be buying a major advance in education. Grudging payment of the "£1¼ billion" will not take that trick.

I do think that Brian Unwin and John Wiggins deserve congratulations on an admirable paper, prepared in a remarkably short time.

DW

DAVID NORGROVE
10 October 1986
CAJAIQ

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PRIME MINISTER

10 October 1986

TEACHERS' PAY

The MAIN and COVENTRY Proposals

The table below shows the comparative increase in teachers' pay proposed by Main and the current Coventry agreement. The percentage increases are cumulative and both exclude the 5½% interim 1986/7 award. Because Main proposed no rise for teachers in 1987/8 an assumed 5.75% pay rise has been deducted from Main's total proposals.

Cumulative Percentage Increase

	<u>1986/7</u>	<u>1987/88</u>	<u>1988/89</u>	<u>1989/90</u>
Coventry	<u>7.1</u>	<u>7.0</u>	9.2	11.4
Main	8.2	10.3	11.1	12.2

Thus Main pays rather more in the early years but ends up with a cumulative real pay increase of 12.2% which is little more than 11.4% for Coventry. If Main were applied in England and Wales it would cost a minimum of some £2.4bn over the four years to 1989/90 compared to Coventry's current cost of £2bn and the original Keith Joseph offer of £1.25bn.

But this is not the total cost of Main - there are elements of Main (and even more so of Coventry) that have yet to be fully worked out which will inevitably result in further costs (eg staffing structure and teacher levels, in service training, allowances for special activities). In addition, if either of the proposals were implemented there would inevitably be knock-on effects, first of all in further and

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higher education and then subsequently in other public sector pay negotiations.

These proposals raise five separate issues.

1. How Adequate is Main?

Although Main's analysis of what is wrong with teaching and the education system is excellent, his actual prescriptions are far from complete. In effect, he offers us a sensible professional career structure but ignores enforcement, cover, teacher shortages etc (paragraph 6 of the officials' paper lists the shortcomings). Nevertheless, Main is significantly superior to Coventry, which as predicted is continuing to crumble into yet higher costs and still fewer conditions.

In making Main the basis for settling teachers' pay, it is important to keep in mind that certain areas of Main remain to be decided.

2. Strategy for Scotland

Main was set up because the pressure from teachers in Scotland had become unbearable. If the Government were now to discard Main, the teachers could renew this pressure and legitimately expect to carry a measure of public support with them. It is of course possible that the unions may have difficulty in resurrecting the strike following the last nine months of peace, but on balance this seems unlikely. The Government therefore faces a stark choice of either supporting Main or discarding it. A half-way house is likely to both increase the baseline money beyond Keith Joseph's offer whilst at the same time causing a renewal of the industrial action by the teachers.

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However, agreeing to Main does not mean that the taxpayer should pick up the whole bill. Indeed, it is essential that the local authorities also suffer their share of the cost because it was their failure to enforce teachers' contracts that allowed the teachers to mount such effective strike action. If the ratepayer were to receive an explicit surcharge as a result of a teachers' pay settlement, then the local authorities would surely think twice before conniving again with the public sector unions. Moreover, putting up their share of the costs will surely concentrate the minds of the local authorities towards enforcing the conditions that apply to the deal.

3. England and Wales: replacing Coventry by Main

The Coventry agreement is falling apart, mainly because the headteachers and better teachers (AMAA) want increased differentials while NAS/UWT, which never signed Coventry, is increasing its opposition. If the Scottish teachers get their pay rise then, at the end of the day, the pressure to give the same rise to English teachers will be irresistible. The trick therefore is to ensure that the Government regains the initiative in order to secure that sensible conditions apply to any English settlement. Clearly Coventry will not produce this answer.

A strategy therefore would proceed something as follows:

- (i) The Government endorses Main for Scotland, explicitly conditional on both the teachers and employers publicly accepting the whole of Main and agreeing to be bound by it.
- (ii) The Government honours its promise to provide the Joseph money (ie £125m) to Scotland in return for the implementation of Main, and that the local authorities agree to raise a surcharge on the rates to finance

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the rest of the cost. The Government would have to ensure that no grant penalties resulted as a consequence of this extra rate. (Some compromise on this may be necessary as the Joseph money already assumes that the local authorities will fund their normal share of the expenditure).

- (iii) For England and Wales the Government should say that it would be wrong for it to intervene until the Coventry process has been completed, but that it viewed with grave concern the way it was developing and therefore the Government's ability to unlock the Joseph £1,250m. Ideally we would like Coventry to collapse of its own accord, such that the Government can then offer Main rather than have to impose it. By making clear that only the Joseph money would be available, this process is likely to be accelerated.

The essential tactic throughout must be to ensure that the Government neither pays out a penny nor offers to pay out a penny without the teachers and the employers signing up

explicitly and publicly to all of the conditions on Main.

The history of the dispute has been that the Government has continuously raised the ante in the hope of securing agreement as to pay and conditions, but on each occasion has only succeeded in upping the money whilst the unions have continued to chisel away at the conditions and refuse agreement on the pay.

4. What Follows Burnham?

Main made a great deal of the fact that its principal recommendations were an indivisible package and should be judged as a whole. One of the principal recommendations was the establishment of an independent pay review body to replace the SJNC.

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It might be very difficult for the Secretary of State for Scotland to accept all of Main's principal recommendations, and make an exception of just this one.

If this is so, then it is very important that this new body should be structured not like existing pay review bodies but with the Treasury playing a more significant rôle. Otherwise, we run the danger of locking ourselves into a very expensive education system.

5. What Kind of Monitoring Arrangements

Main/Coventry is a major restructuring of the teaching profession. Even if it is difficult to introduce an effective system of enforcement, it is perfectly possible to monitor LEAs in their attempts to implement new proposals. Published reports on LEAs' performance which extolled the efficient and innovative, and criticised the incompetent could have a significant impact. In principle, these could be done by:

- (a) a new quango set up for the purpose;
- (b) a unit in the DES; !!!
- (c) the existing Local Authority Audit Commission.

(John Banham is one of three candidates to succeed Sir T. Bennett at the C.B.I.)

The last is by far the best. The DES could enter into a contract with the LA Audit Commission requiring it to audit the progress of LEAs in implementing the new structure. The Treasury might even be required to withhold subsequent stages of Joseph money from those authorities that were shown not to be enforcing the Joseph conditions. A proper system of monitoring is a key part of the total package in settling teachers' pay.

BRIAN GRIFFITHS

Peter Warry
PETER WARRY



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CGG
CGG up?

P 02278

PRIME MINISTER

Government's Response to the Teachers' Pay Disputes.

MISC 122(86)14 and 15

DECISIONS

The Group will need to reach decisions on:

(i) the Government's response to the Main Report for Scotland;

(ii) in the light of (i), their strategy for England and Wales;

(iii) the extent to which additional Exchequer Grant should be provided to finance settlements in Scotland and in England and Wales;

(iv) what, if anything, should now be said about future negotiating machinery.

2. The report by officials under my Chairmanship (MISC 122(86)14) summarises the latest developments and sets out a range of possible strategies which the Government might adopt. MISC 122(86)15 sets out the Education Ministers proposals. The Government must now reach broad conclusions about the line to be taken in response to the Main Report and the Coventry process, and also decide on their tactics for achieving their objectives. As Ministers recognised at their last meeting (MISC 122(86)11th Meeting), it is highly desirable that the Government should move swiftly if they are to regain the initiative.

Scotland

3. The principal features of the Main Report are set out in paragraphs 4-9 of MISC 122(86)14. The Scottish education authorities have responded cautiously to the Report, but it that seem ready to implement it if the Government are prepared to meet their full share of the costs. The first key issue will thus be the reaction of the unions. The Scottish Secretary believes that if the Government reject the recommendations, the EIS will revert to disruption: they have developed tactics which at little cost to their members cause major damage to the education system. If this assessment is correct, would it be possible to ensure that the public side with the Government rather than with the teachers? There must be some doubt about this, given that the Government would be rejecting a well-presented independent report they had themselves set up. It would also be difficult to secure support from parents and local authorities for any alternative proposals. Equally, and regrettably, there can be no firm guarantee that if the Government indicated their willingness to accept Main, the unions would fall into line without demur. But if they resisted, it should be possible to mobilise substantial public support against further disruption. In particular, education authorities would come under increasing pressure to enforce contracts of employment.

4. If the Group conclude that broad endorsement of Main is inescapable, there arises the question of finance. Paragraph 36 of the officials' report considers the possibility of trying to stage any pay increases, and suggests that the feasibility depends on whether the Government could maintain sufficient public support. The Group will need to consider this. They will also need to consider the extent to which Exchequer grant should be increased to finance any settlement. The Scottish Secretary will argue that Government should pay their full share of the total cost, and rely on the Scottish Joint Negotiating Committee (SJNC) to put the Main recommendations into place. Treasury Ministers will argue that the Government should go no further in providing additional grant than consistent with their 1985 conditional offer, leaving local rate payers to finance any excess; some adjustment would, however, also be required to total provision for

local authority expenditure, so as to avoid grant penalties resulting from the higher expenditure cancelling out the additional grant provided in accordance with the Government's offer. There is a strong probability that the employers would regard the latter course as tantamount to rejection of Main - and indeed if the Government did wish to avoid implementing it, this probably represents presentationally the best way of doing so. If the Government's contribution were restricted to the 1985 offer it appears that Scottish rates would rise by 11-12 per cent in 1987/88, whereas if the Government provide their normal proportion the total costs of the increase would be about 5 per cent next year. If the Government agreed to pay their full share of the total cost, there would be a strong case for making payment conditional on the rest of the package being agreed and delivered through the SJNC.

England and Wales

5. The situation (set out in paragraphs 10-14 of the official report) and the choices for England and Wales are both much less clear. The Coventry provisional agreement covers only pay, pay structure, the basic list of duties and the length of the school year; major outstanding questions include hours of work, class contact time, class size and permanent arrangements on cover for absent colleagues. The salary structure agreed at Coventry is absolutely inconsistent with the Government's objectives, since its emphasis is on a 40 per cent increase in the basic scale maximum which all teachers would reach without regard to their performance or to 'demand' for their subject; the scope for rewarding responsibility and good performance would be substantially reduced as compared with the present situation. Following the publication of Main the unions in England and Wales are already pressing for the Coventry pay arrangements to be renegotiated to provide larger early increases analogous with those in Scotland, but without a move back towards a more differentiated pay structure like those currently in operation in England and Wales and recommended by Main for Scotland.

6. Paragraphs 25 to 38 of the official report set out a range of possible options. But in reality the Government face a choice between:

- (i) leaving the employers and unions themselves to attempt to complete the negotiation of a comprehensive agreement on pay and conditions; and
- (ii) stepping in to impose a solution themselves.

7. Course (i) means that there will be little further progress towards any of the Government's objectives; but still higher salary levels are likely to be agreed, together with costly concessions on class size, hours worked, etc and a general relaxation of teachers contractual duties as they now stand in the light of the Scott judgment.

8. However, there is no ready made solution for course (ii). The Main Report is addressed to the Scottish pay structure, and there is no simple read across. Mr Baker proposes to cut the knot by setting up an Advisory Committee to devise a suitable package on pay and conditions for England and Wales to operate from next April, and meanwhile to give teachers a further increase for the current year equivalent to the first year cost of Main. This would mean increasing England and Wales salaries by some 8 per cent from April 1986, so leaving the Advisory Committee with around 8 per cent available within the Main ceiling for changes in the pay structure (e.g. introduction of a new grade corresponding to Main's senior teacher) to reward proven good classroom performance, etc. He sees this as offering the only prospect of getting the teachers to accept terms and conditions which would meet the Government's educational objectives, and at the same time setting aside the excessively generous basic scale agreed at Coventry. To make the Main-equivalent increase for the current year conditional on acceptance of the proposals to be made by a Review Body next year on duties and conditions would mean postponing its payment until next summer; DES argue that setting

Coventry aside and making teachers wait 9 months for the pay increase offered in recompense would result in a resumption of disruption.

9. Treasury Ministers seem likely to want to continue to stand aside from the negotiations, merely offering to pay Exchequer grant consistently with the 1985 £1.25 billion offer once a comprehensive settlement has been concluded. This would be consistent with the Government's previous stance. But it might well lead to resumed disruption, with the Labour-dominated LEAs arguing that they were unable on that basis to afford to negotiate a settlement the teachers would accept. On the other hand, if the LEAs went ahead and agreed a Main-equivalent settlement, with all the excess costs above the Government's share of the £1.25 billion falling on the ratepayers, this would result in average rate increases next year of 7 per cent (on top of whatever increases would have been imposed in any event in the light of the Rate Support Grant settlement).

10. The Group will also want to satisfy themselves about the feasibility - or not - of measures to constrain the costs of the settlements, or improve them in other respects (option (v) in paragraphs 36-38 of the official report). Is there any prospect of the Scottish teachers accepting a staging of the Main recommendations, to bring the phasing of the costs into line with those of Coventry? Is there any prospect, at the same time, of teachers in England and Wales accepting the Main recommendations or their equivalent on duties and conditions? The Education Departments judge that there is no prospect of agreement on this basis; on the other hand public opinion might regard it as not unreasonable, and might not sympathise with teachers who resumed disruption in opposition to it. The problem would be that such a compromise would never be set in place through the present negotiating machinery; the Government would have to try to impose it by legislation.

Implications of Legislation

11. Main envisages that the immediate recommendations will be negotiated into place through the SJNC, but that this body would then be dissolved and its functions effectively taken over by the proposed Standing Advisory Committee (SAC). This would virtually mean the end of negotiations about pay and conditions between teachers and their employers. In the case of England and Wales, Mr Baker's judgment is that the present negotiating process, and the existing negotiating machinery, must be set aside without delay. In both cases the desired outcome can only be secured by new primary legislation; and the mere fact of legislation will not guarantee success unless the bulk of the teachers accept the new situation as fair.

12. There are already signs that the teachers' unions are preparing to mount a vehement campaign against any form of SAC. The reaction of the EIS seems to be an indication that they would acquiesce in the rest of Main provided the Government reject the SAC. The General Secretary of NAS/UWT is already on record as strongly opposing the SAC. The unions will argue that the effect of the SAC is to deprive teachers and their representatives of all opportunity to participate in the determination of their pay and conditions, leaving them entirely at the mercy of the judgment of some body of uninformed outsiders; for good measure they will add that this deprivation of employees of their negotiating rights is contrary to an International Labour Organisation (ILO) convention signed by the present Government.

13. However, the strongest opposition to SACs is likely to come not from ordinary teachers but from the trade unions, much of whose raison d'etre would disappear if such bodies were established. Once in operation there would be no place for the competitive militancy which has disfigured the activities of the teachers' unions in recent years. As long as those unions retain their present character and position of influence, the Government can have little assurance of improvements in the performance and professionalism of teachers and the management of schools. The implicit judgment of Main and the explicit judgment of Mr Baker, is that teachers will only accept the ending of the unions'

present role if they have the assurance of the protection of independent review bodies whose recommendations the Government could not lightly override: they would not accept a situation in which the Government took power to impose pay and conditions solely at their initiative. In establishing such bodies the Government would in effect be appealing to the memberships over the heads of the union leaders. Success could not be guaranteed, but if teachers accepted SACs, even if only tacitly, the relatively minor ILO problem could no doubt be overcome as already happens with the nurses.

14. Any yearly legislation would, of course, be very controversial and present severe problems for the legislation programme. Something else would have to be displaced and on any footing Mr Baker's hope of enactment before Christmas seems extraordinarily optimistic. However, you will want to have the Lord President's views on this.

Tactics

15. The Group will wish to consider tactical handling. The Government's initial reaction to Main cannot be long delayed if they wish to secure the initiative. It might be possible to detach the recommendation for SAC for consideration in slightly slower time; but given the attitude of the EIS the Government could soon face a situation in which the unions made acceptance of the rest of Main conditional on rejection of the proposed SAC. In any event a clear steer will be needed on the acceptability of the terms and conditions of service and the proposed pay levels. The Scottish Secretary envisages a statement on 21 or 22 October.

16. For England and Wales, however, there is a choice. It would be possible to allow the Coventry process to continue, in the hope that it will break down of its own accord. This would make it easier for the Government then to impose their own solution. But there is a serious risk that costs will be talked up in the meantime, and the two sides might yet reach an overall agreement whose terms the Government could not regard as acceptable. It would then be much more difficult for the Government to intervene. An initiative now offers some prospect of overcoming these

problems, and is unlikely to be more costly than a later solution. But the costs are very high; and, as the Chancellor will point out, it would be interpreted by many as giving in to industrial action.

Next Steps

17. If the Group reach conclusions on the way forward, you may wish them to be reported to Cabinet on Thursday 16 October with a view to statements by Mr Rifkind and Mr Baker the following week. A number of details - particularly the precise changes in RSG provision and Exchequer grants rates - would need to be agreed between Departments. Very careful consideration would need to be given to presentation; the decision would have to be presented in the best light possible, with close regard to minimising the pay and public expenditure effects. If, however, no agreement is reached, a further meeting of the Group is provisionally arranged for 4.30 pm on Wednesday.

Public Expenditure

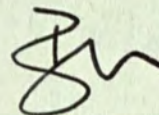
18. Paragraphs 16 to 18 of the report by officials set out the public expenditure implications. For the UK as a whole, 'Main-equivalent' pay increases would imply local authority expenditure some £700 million higher next year '(without taking into account any carry-forward from 1986/87) than has hitherto been allowed for. This is well over £400 million more than implied by Sir Keith Joseph's August 1985 offer, excluding the costs for lunch time supervision.. It appears that this whole amount, and slightly larger amounts in the subsequent years, would have to be added to the planning totals; Mr Baker has reached agreement with the Chief Secretary on other parts of his programme, and there is no realistic prospect of MISC 130 finding offsets on other Departments' programmes to whatever additions are agreed for teachers.

HANDLING

19. You will wish to invite the Secretary of State for Scotland to introduce the discussion, and the Secretary of State for Education and Science to speak second. The other Education Ministers (Wales and Northern Ireland) may also wish to register

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points. The Chancellor of the Exchequer and/or the Chief Secretary, Trasury will be concerned about costs, public expenditure implications and the impact on the wider pay scene. The Secretary of State for Employment and/or the Paymaster-General will wish to speak on the implications for negotiating machinery, the Secretary iof State for the Environment on the impact on local government finance, and the Secretary of State for Social Services on the review-body proposals. The Lord President of the Council, Chancellor of the Duchy of Lancaster, Lord Privy Seal and the Chief Whip will wish to comment on the political and legislation aspects.



J B UNWIN

Cabinet Office
10 October, 1986.



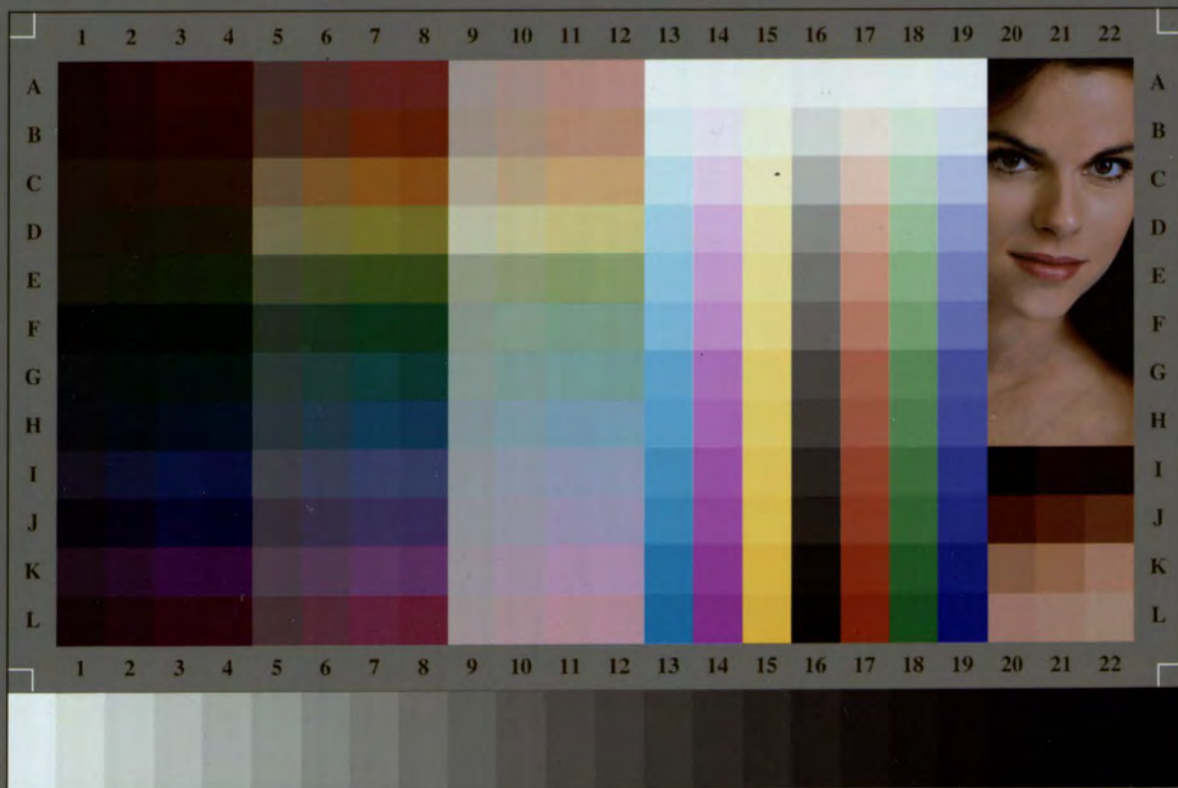
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PART 7 ends:-

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PART 8 begins:-

J. UNWIN TO PM 10/10/86



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