

PART 10

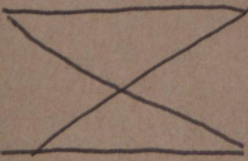
CONFIDENTIAL FILING

TEACHERS' PAY

EDUCATION

PART 1: MAY 1979

PART 10: APRIL 1987

| Referred to | Date | Referred to | Date | Referred to | Date | Referred to | Date |
|--|------|-------------|------|-------------|------|-------------|------|
| 23.4.77 | | | | | | | |
| 29.4.77 | | | | | | | |
| 30.4.87 | | | | | | | |
| 12.5.77 | | | | | | | |
| 13.5.87 | | | | | | | |
| 25.6.87 | | | | | | | |
| 6.7.87 | | | | | | | |
| 8.7.77 | | | | | | | |
| 13.7.77 | | | | | | | |
| 14.7.87 | | | | | | | |
| 21.7.77 | | | | | | | |
| 9.9.87 | | | | | | | |
| 18.9.87 | | | | | | | |
| <p>PREM 19/2129</p> | | | | | | | |
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| PART ENDS | | | | | | | |

PART 9 ends:-

SS/DES TO PM 30.3.67

PART 10 begins:-

DRN TO DES 2.4.67

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CEB9



PRIME MINISTER

THE IAC

mt
Prime Minister 2
This seems satisfactory, but I have asked the Treasury to make absolutely sure.
DW

1. Henry Chilver asked to see me privately about the operation of the IAC and I saw him without any officials present on Tuesday afternoon. It was a very useful meeting. He sees the role of the IAC as clearly defined in the statute namely that it should operate under directions from the Secretary of State and that it should then receive evidence and come up with its recommendations. 22/9.

2. I explained to him what we had in mind for the first remit, namely that, as the new structure of teachers' pay has just been established this year, we would not want any fundamental change in it in 1988-89. But we would want the Committee to examine the relative position of heads and deputy heads. We would also want them to look at the question of London Weighting. He believed that this was a sensible way to approach the work of the IAC in 1988-89.

3. We then discussed the financial framework of the Government's direction to the Committee. He was quite clear that any percentage figure relating to pay would not be the best way for the Committee to operate. It would suck them into the whole question of a possible national pay policy. Any figure would be likely to be seen by some member of his Committee as a floor - and certainly by the unions and the outside world - and it would be an open temptation to go above it. I then discussed with him the question of a cash sum, which would have to be consistent with our expenditure plans and the RSG settlement yet to be made. He thought this was a very much better approach. He thought it would be unreasonable for members of the Committee to say that they should not operate within the expenditure plans set out by Government. My officials

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are at the moment discussing with Treasury and DOE officials what such a sum should be and how it should be presented.

4. The first meeting of the Committee is on 29 September. I specifically asked Henry whether the remit that we have been talking about should be sent by that day. He felt it would not be necessary. He envisaged that at the first meeting the members would get to know each other. They would agree a method of working, and an approximate timetable. He sees it as an opportunity for him to explain how the Committee will work and how they will expect to receive guidance and a direction from the Government. I found this encouraging, and I am sure that we should leave this first meeting to Henry to handle in his way. We can rely on him to make it clear that the Committee will be working within the clear framework established by the legislation.

5. I shall however need to give the IAC their remit shortly after 29 September. I will let you have my detailed proposals for that as soon as possible.

6. I am copying this minute only to Willie Whitelaw, Nigel Lawson and Nicholas Ridley.

k.b.

KB

Department of Education and Science

18 September 1987

Educator - Teachers' Pay P. 10.



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Reference No 02823

PRIME MINISTER

Future Machinery for School Teachers' Pay and Conditions

(E(EP)(87)6; Chancellor of the Exchequer's minute of 7 September)

DECISIONS

The Sub-Committee needs to decide on new long-term machinery for setting school teachers' pay and conditions, to replace the Interim Advisory Committee established under the Teachers' Pay and Conditions Act 1987. There are two main options -

i. An Independent Advisory Committee (IndAC), building on the arrangements for the Interim Advisory Committee (IAC). This is the option favoured by Mr Baker.

ii. A Teachers' Negotiating Group (TNG) in which the local authority employers and the Government would negotiate with the teachers' unions about pay and conditions. This option is favoured by the Chancellor of the Exchequer.

2. The Sub-Committee also needs to decide whether the promised Green Paper on future machinery for deciding teachers' pay and conditions should set out the Government's preferred option, or simply describe a range of options without expressing a view on the choice between them.

BACKGROUND

3. E(EP) last discussed the long-term machinery for setting teachers' pay and conditions on 15 July (E(EP)(87)1st Meeting). At that meeting Mr Baker had brought forward a draft Green Paper which described a number of possible approaches, but left the Government's options entirely open. The Chancellor argued that the Government needed to decide what arrangement it favoured before publishing a Green Paper, which would need to make the Government's

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preference clear. The Sub-Committee agreed that the Government needed to be clear what arrangements it favoured, and asked the Education Secretary to bring forward proposals in consultation with the Chancellor of the Exchequer and the Secretary of State for the Environment. It did not however take any decision about the treatment of the preferred option in a Green Paper.

MR BAKER'S PROPOSALS

4. Mr Baker's paper sets out nine different options for determining teachers' pay and conditions in the long-term. However, many of these options are variants of three basic approaches:

i. a National Joint Council (NJC), similar to those for other groups of local authority employees. The NJC would be a negotiating body, with representatives of the teachers' unions and the local authority employers having the great majority of the seats. The Government might have minority representation, and the right to ask Parliament to overturn any settlement on grounds of national economic circumstances. Nevertheless, this approach is very unlikely to meet the Government's aims in influencing both the level of teachers' pay, the pay structure and conditions of service. No member of the Sub-Committee is likely to be arguing for it.

ii. An Independent Advisory Committee (IndAC). This approach would build on the Interim Advisory Committee established under the 1987 Act, although Mr Baker suggests that it would be for consideration whether the Government would have the same powers to direct the new Committee, including the power to set constraints on the costs of its recommendations. But Mr Baker does suggest a power, as with the Interim Advisory Committee, for the Secretary of State to substitute his own view for that of the Committee, subject to an affirmative vote in both Houses of Parliament.



iii. A Teachers' Negotiating Group (TNG). This would be a negotiating group, like an NJC, but with much more substantial representation for the Government, amounting to nearly 50% of the management side of the TNG. This would allow the Government to veto an unacceptable deal in most circumstances, although the Government might still want a power to ask Parliament to override a negotiated settlement if it had less than 50% of the management seats. The Secretary of State would also have a power to impose a solution if the TNG was unable to reach agreement, again subject to the affirmative resolution procedure.

5. The Education Secretary's firm view is in favour of an Independent Advisory Committee. He believes that this approach offers the best chance for consolidating the improvements in the teachers' pay structure and conditions of service which were achieved in the imposed settlement for 1987. He also sees advantage in reducing the role of the teacher unions in new arrangements.

THE CHANCELLOR OF THE EXCHEQUER'S VIEWS

6. The Chancellor's views are set out both in Mr Baker's paper and in his own minute of 7 September. He argues very strongly that an Independent Advisory Committee would be indistinguishable from a Review Body for teachers' pay, that its recommendations would be well in excess of what could be afforded and that it would have unacceptable implications for public expenditure. He therefore favours a teachers' negotiating group. On the question of the contents of a Green Paper, he argues that once the Government has decided what approach it prefers, it should make that clear and consult on it as a firm proposal.

7. The Chancellor does not make clear which variety of TNG he prefers, in particular whether he wants the Government to have a majority of management side seats. His own logic would seem to



lead to this solution, since an override power would then be unnecessary.

VIEWS OF OTHER MINISTERS

8. Mr Ridley agrees with the Education Secretary's proposal for an Independent Advisory Committee. But he sides with the Chancellor on the need to state a clear Government preference in the Green Paper. The Secretary of State for Wales may however favour a Teachers' Negotiating Group rather than an Advisory Committee, on the grounds that it will be more acceptable to the teaching profession, and therefore improve industrial relations in the schools. The Secretary of State for Employment may take the same line.

MAIN ISSUES

Basic model for future arrangements

9. The Sub-Committee needs to decide on the basic approach it wishes to adopt for determining teachers' pay in the long-term. The main arguments in favour of the Independent Advisory Committee approach are -

i. If the Committee is seen as a truly independent body this might reduce the risk of disruption in the schools. But if the Government takes and uses powers to constrain the Committee's recommendations tightly in terms of substance and cost, this advantage would disappear.

ii. The Committee might be more likely than a negotiating group to build on the recent changes in the teachers' pay structure and duties.

iii. An approach based on an IndAC could reduce the power of the teacher unions, and that might again reduce the likelihood of disruption.

10. On the other hand the argument in favour of a Teachers' Negotiating Group are -



i. Provided the Government can exercise a controlling role over the negotiations, it offers the best chance of minimising the cost of teachers' pay settlements and of avoiding undesirable implications elsewhere in the public sector.

ii. It restores negotiations, which is what the teacher unions have been pressing for. If they are satisfied with the terms of the new group, it may therefore reduce the danger of disruption in the schools. But on the other hand the tighter the Government's grip on the new arrangements, the less likely they are to be acceptable to the unions.

A possible compromise

11. On the vital question whether the Government could direct the IndAC on financial matters, Mr Baker says only that it is 'for consideration'. The Chancellor notes that Mr Baker's proposal on this point is unclear. It goes of course to the heart of the argument between them. Would the Chancellor accept an IndAC if there were to be a satisfactory power of financial direction? This could depend on the outcome of the discussion on the first paper.

Contents of the Green Paper

12. There are two questions:

- what is the Government's preferred option?
- should it state that preference in the Green Paper?

The questions are distinct. You could for example agree with the Chancellor's preference for a TNG on the first, but with Mr Baker's preference for a neutral presentation on the second.

13. Mr Baker's argument for neutrality is that the other parties will fail to agree on a solution, and it will then be easier for the Government to put forward its own. He thinks that, if the Government puts forward its own preference, everybody will unite against it. The Chancellor argues exactly the reverse. He thinks that opinion will quickly coalesce round an undesirable option unless the Government gives a lead; and that it is anyway perverse



not to state a view, having reached one.

14. You will want to test Mr Baker's argument and in particular his assumption that the other parties will not agree. He says himself (para 2) that the local authority associations and most teacher unions would prefer the NJC solution. Might there be a consensus in favour of the NJC which it would then be difficult for the Government to ignore unless it had already stated its own preference?

TIMING

15. Mr Baker wishes to publish a Green Paper in September. That seems advisable if the Government is not to leave the initiative on long-term pay arrangements with the local authorities and the teacher unions. However Mr Baker has not yet circulated a revised version of his earlier draft Green Paper, on which the Sub-Committee had a number of comments. You will want to ask the Education Secretary to circulate a revised draft, taking account of the earlier comments, and the outcome of the present meeting.

HANDLING

16. You will want to ask the Education Secretary to introduce his paper. The Chancellor of the Exchequer will wish to speak to his minute. The Secretaries of State for the Environment and for Wales will also wish to comment. The Secretary of State for Scotland may wish to comment on any implications for the arrangement for determining teachers' pay in Scotland. Other Ministers will also wish to contribute to the discussion.

R T J WILSON

9 September 1987
Cabinet Office



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Reference No 02822

PRIME MINISTER

Remit to the Interim Advisory Committee on School Teachers'
Pay and Conditions

(Mr Baker's Minute of 7 September;
Chancellor's minute of 8 September)

DECISIONS

Mr Baker seeks agreement to the remit to be given to the Interim Advisory Committee (IAC) on school teachers' pay and conditions for the 1988 pay settlement (settlement date 1 April 1988). The main issue which the Sub-Committee needs to decide is the treatment of the financial constraints on the IAC's recommendations. Mr Baker favours a general reference to what local authorities can afford and the Government's plans for local authority expenditure. The Chancellor will press for a precise percentage ceiling on the cost of any recommendations.

BACKGROUND

2. The Teachers' Pay and Conditions Act 1987 provides for the IAC to be established and to make recommendations to the Secretary of State for Education about teachers' pay and conditions for an interim period of up to three years, covering the 1988, 1989 and 1990 settlements, pending the introduction of new long-term arrangements for determining teachers' pay and conditions. Section 2 of the 1987 Act gives the Secretary of State the power to decide what matters should be referred to the IAC, and to give them directions about the considerations to which they should have regard, and the financial or other constraints to which their recommendations should be subject. Lord Chilver was appointed as Chairman, together with other members, in July.

MR BAKER'S PROPOSALS

3. Mr Baker's minute covers the drafts of two letters to Lord Chilver: a formal letter of direction under the 1987 Act; and an

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informal letter of guidance, which expands in particular on the financial constraints on the IAC's recommendations. The formal letter also directs the Committee to have regard to the Government's view that teachers' pay and conditions should enable LEAs to recruit, retain and motivate sufficient teachers of the required quality within what local authorities can afford and the Government's plans for local authority expenditure. The informal covering letter refers the IAC to the latest Public Expenditure White Paper (PEWP), the statements made by the Environment and Welsh Secretaries on 23 July about the RSG Settlement for 1988/89 and the forthcoming Autumn Statement on public expenditure as setting out the Government's plans. But it does not give the IAC any detailed, quantified guidance about the maximum acceptable cost of its recommendations.

THE CHANCELLOR'S VIEWS

4. The Chancellor of the Exchequer's views are set out briefly in Mr Baker's minute, and at more length in his own minute of 8 September 1987. He disagrees strongly with Mr Baker's approach to the issue of cost. In his view it is essential to specify a numerical ceiling on the overall cost of the IAC's recommendations. The increase in total provision for local authority current expenditure in 1988/89 compared with their budgets for the current year is 3.8 per cent. The Chancellor would be prepared to round this up to a ceiling of 4 per cent.

MAIN ISSUES

5. The key issue is whether or not to set a numerical ceiling on the cost of the IAC's recommendations. The arguments in favour of a ceiling are:

- i. The Chancellor is right in saying that when Ministers agreed to set up the IAC they intended that the Government should direct the Committee on the amount available. This



seems clear from your summing up of the Cabinet discussion last October when you said that the remit of the IAC 'would cover ... the distribution of pay within the amount decided by the Government'

ii. If the IAC are not given a ceiling they might well recommend a higher increase that would be difficult to reject but would add to public expenditure.

iii. Earnings increases at 7.5% are uncomfortably high. There has recently been a good deal of anxiety in the press and the markets about them. On an annual basis, they are higher in the public service sector than in the private sector. A firm direction to the IAC will give a signal of the Government's intention to keep pay increases, especially in the public sector, under control.

6. The arguments to weigh on the other side are:

i. The reaction of the teachers if a ceiling of 4% is put on their pay increase when average earnings are rising at 7.5%. You may think that since they got 16% in the last pay round, an increase below the average rate may be justified this time. Nevertheless the possibility of industrial action, and the effect on the reception of the Government's educational reforms, should be considered.

ii. The danger that the ceiling would come to be seen as a pay norm. The Chancellor argues that increases in the public sector have recently varied widely according to the needs of each service, and that this is now well accepted. This is true but you will want to consider whether it disposes of the point entirely. Would it for example be a bit more difficult to give the civil servants less than the amount allowed the teachers? Perhaps the answer is that if the IAC are left free



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to recommend a high settlement which the Government finds it hard to reject the effects on the civil service and elsewhere would be greater.

~~_____~~

iii. The effect on the IAC itself. The Chancellor dismisses Mr Baker's fears of resignations on the ground that the direction he advocates is explicitly provided for in the legislation. This may be correct, but any resignation, especially of Lord Chilver, would be embarrassing and you may want to probe the point before reaching a final decision. Is there any reason to think that Lord Chilver or other members have concluded, or been given reason to conclude, that they will be left free to decide the amount available?

Possible compromises

7. These are:

i. If you were to decide not to set a ceiling, you could still give the IAC a firmer steer on affordability than Mr Baker's draft. This could include more specific material from the sources he already quotes. For example, the 3.8% increase in provision could be mentioned, with more or less emphasis. Mr Baker might also be able to speak privately to Lord Chilver about affordability.

ii. If you agree to set a ceiling, you could set it rather higher than the 4% proposed by the Chancellor. I understand that the Treasury would probably be prepared to go as far as 5% on the pay bill, so long as there was a firm limit. The cost to local authorities would be higher, but the Treasury's view is that 5% could probably be accommodated



within agreed provision for overall local authority expenditure for 1988/89: anything above that probably could not be accommodated.

Other Issues: Timing

8. The Chancellor and other Ministers are content with Mr Baker's proposals on the issues to be referred to the IAC. No major questions appear to arise here. You will however wish to consider timing.

9. Mr Baker wishes to issue the IAC's remit before their first meeting, fixed for 29 September. That seems reasonable. However he proposes to ask them to report by 31 March 1988. This appears to be a relaxed timetable, which will mean that implementation of the 1988 settlement will be at least two months later than the settlement date of 1 April (given that Mr Baker has to consult on the IAC's report, and a settlement then has to be put into force). Such a timetable is bound to be criticised by the teaching profession, because it will delay the payment of increases in 1988. Furthermore it removes any chance that local authorities will know the precise cost of the settlement when they set their budgets for 1988/89. That would be particularly important if you were to decide not to set a firm ceiling on the IAC's recommendations; if there is a ceiling, local authorities can at least use that for budget purposes. You will therefore wish to consider whether to accept Mr Baker's proposals on timing, or to ask him to look again at the possibility of a shorter time scale for the IAC's report.

VIEWS OF OTHER MINISTERS

10. The Environment Secretary has a major interest in the financial part of the IAC's remit, because of his responsibility for local government finance. We understand that he is likely to be briefed to support the Chancellor's line. The Secretary of



State for Wales, who is the responsible Minister in Wales, is likely to support Mr Baker.

HANDLING

11. You will want to ask the Education Secretary to introduce his minute. The Chancellor of the Exchequer will want to speak to his minute. You will also want to seek comments from the Secretaries of State for the Environment, Employment and Wales, and from other Ministers.

R.T.W.

R T J WILSON

9 September 1987
Cabinet Office

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PRIME MINISTER

9 September 1987

E(EP) Education Policy

E(EP) will tomorrow consider two topics: the notes by the Chancellor on both are excellent.

1. Remit for the Interim Advisory Committee on Teachers Pay and Conditions

It was always on the cards that Kenneth Baker, having wanted to set up a Review Body for teachers but having not succeeded, would attempt to convert the IAC into such an institution.

The note by the Chancellor is very powerful and I find it totally persuasive.

Having said so clearly in the past that we intended to put a cost envelope around the whole exercise, it is nothing less than profligate to ignore it at this stage. The teachers have already been awarded an excellent pay rise and 3.9% or 4% - better stated in millions of pounds - is a perfectly reasonable figure within which the IAC can operate for the reasons given by the Chancellor in para 2, page 3.

Without such a budget constraint we would face the prospects of a much larger increase.

Recommendation

Support strongly the Chancellor.

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2. Future Machinery for Teachers Pay and Conditions

A decision must be made, but not necessarily immediately, on the machinery to replace the existing Interim Advisory Committee.

I have three comments:

- a. The Independent Advisory Committee which is the option preferred by the DES is effectively a Review Body. As such it suffers from all the weaknesses of review bodies. The crucial political reason for not proceeding however is that Review Bodies have only been set up for groups which have not taken industrial action. This is not so with teachers. To abandon the general principle at this stage would unsettle existing Review Bodies and create an incentive for militancy among other public sector employees.

The Teachers Negotiating Group (TNG) is a far superior alternative to the proposed review body.

- b. DES's main objection to the TNG is that it would not be true negotiating body as it could be overridden by government. But this objection is just as likely to be made about the Independent Advisory Group - because the government would have an override in this case as well.

The DES objections to the TNG are weak.

- c. I strongly agree with the Chancellor and Secretary of State for the Environment regarding the content of the Green Paper which we will publish on this issue.

If we feel there is a preferred alternative arrangement for settling teachers pay, we should state it, deploy

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the arguments for it and seek to win the day. What will be judged as unforgivable on our part is to offer a menu of choice to unions and management and then after they have chosen their preferred option to provide them with something else.

This is simply asking for trouble.

Recommendation

- a. Reject the IAC and support the TNG.
- b. Invite Kenneth Baker to set out clearly the Government's preferred alternatives in the Green Paper.

Brian Griffiths

BRIAN GRIFFITHS

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

PRIME MINISTER

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

I have seen Kenneth Baker's minute of 7 September and disagree very strongly with his proposal ^{WITH DCN} not to direct the Committee to limit the overall size of the recommendations to a specific amount. This runs directly counter both to Cabinet's decision last year about the way that the Committee should operate and what Kenneth said in Parliament when he announced the establishment of the Committee. To do as Kenneth now suggests would inevitably mean embarrassingly high recommendations (which, because of the Affirmative Resolution procedure, we would in practice have little choice but to accept). This would be very damaging to public expenditure, to pay expectations elsewhere, and to local authority finances. We cannot allow this Committee to become a de facto Review Body immune from the normal processes of public expenditure control and we must stick to our original agreement as to how the Interim Committee should operate.

When we agreed last October to establish an Interim Committee we were very careful to distinguish it from a Review Body. The crucial difference was to be that the Interim Committee would advise about the distribution of pay within the amount that was decided by the Government. It was not to be given a free hand to recommend what it considered appropriate in the manner of the existing Review Bodies. This was the firm decision that Cabinet took on 30 October 1986 when it was agreed that:

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"New legislation would be introduced in any event to abolish the Burnham Committee, and to establish new machinery to settle teachers' pay and conditions; this would be done by the Secretary of State on the advice of an Interim Advisory Committee, whose remit would cover duties and conditions of service, and the distribution of pay within the amount decided by the Government."

Kenneth Baker made this clear when he announced the establishment of the Interim Committee to Parliament on the same day:

"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 Queen's Speech made the same point. In line with this the legislation explicitly provided for the Government to direct the Committee about the financial or other constraints to which their recommendations are to be subject. Kenneth's minute to you of 20 November 1986 made clear that the Interim Committee would have "strictly limited room for manoeuvre" and that a "cost envelope" would be set on its advice. I attach the relevant passage. (Annex A)

You will recall my concern that there should be no retreat from this position. At your meeting on 30 April 1987 to discuss Kenneth Baker's first ideas about the Committee's remit I questioned whether his formulation on finance represented a softening of the earlier position. Kenneth Baker said that it did not (Annex B).

Against this background I am deeply disturbed by the new proposal that we should not use our powers of direction over finance. The consequences of such inaction would be



disastrous. If the experience of the Review Bodies is anything to go by, the Interim Committee will inevitably recommend increases of at least average earnings and possibly more. That is likely to mean at least 7½ per cent. As Kenneth Baker points out, this compares with an increase in total provision for local authority current expenditure in 1988-89 over local authorities 1987-88 budgets of 3.8 per cent. Every 1 per cent on teachers pay in England and Wales costs nearly £70 million. Although the Advisory Committee only covers England and Wales it would be unrealistic to expect to conclude lower settlements in Scotland or Northern Ireland. Taking these costs into account every 1 per cent addition to teachers pay recommended by the Advisory Committee would cost £80 million. This means that the Interim Committee would be likely to make recommendations that would add at least £300 million to public expenditure above the plans we have already announced for local authorities.

It is essential that we direct the Committee to limit the overall cost of its recommendations to a specific figure. The obvious figure to choose is 3.9 per cent, as this represents the increase in total provision we have already agreed and announced for 1988-89 local authority current expenditure over local authorities own budgets for 1987-88. I could agree to round this to 4 per cent. This represents an increase in line with the likely rise in the cost of living next April and comes on top of the 25 per cent increase paid to teachers since March 1986. This would be the overall ceiling: the Committee would be asked to apportion this. In practice teachers' pay would, of course, rise by about 5 per cent because of the additional 1 per cent that will flow through in 1988-89 from Kenneth's extra promotions.

Kenneth objects to a maximum for four reasons but they actually boil down to two arguments, neither of which he raised when he proposed the establishment of the

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Interim Committee on the basis we agreed. First, he claims that this will be seen as a norm that must apply to the entire public services. I cannot see why this should be so. We have always made clear that pay for each group should depend upon the recruitment, retention, morale and affordability factors affecting it. These vary and so settlements vary. This has been the experience of the past few years and was seen in the last pay round when most civil servants got around 4½ per cent, teachers got 16.4 per cent, and other groups got amounts in between.

Second, it is said that the independence of the Committee would be undermined and they would resign. This beggars belief. The Government's power to direct the Committee in the way that I propose is explicitly contained in the legislation which established the Committee. To receive such a direction could come as no surprise to them or, indeed to anyone else. Indeed, they would be surprised if we did not make a direction after everything that was said when the Committee was first established.

Finally, we can have no faith at all that the steer that Kenneth proposes to give the Committee on finance in the informal guidance letter and in Government evidence would have any effect. Year after year we give the Review Bodies such steers and year after year they ignore them and say in their reports that they have ignored them. There is no reason at all to expect the Interim Committee to behave any differently.

I am copying to E(EP) Members and to Sir Robert Armstrong.

N.L.

8 September 1987

EDUCATION

TEACHERS PAY

PT 10



ANNEX A

EXTRACT FROM MR. BAKER'S MINUTE OF 20 NOVEMBER 1986 TO THE PRIME MINISTER.

- (a) the exclusion of further education teachers from the proposed arrangements. There is no compelling case that we can make for imposing new arrangements for settling further education teachers' pay and conditions. Negotiations have more often produced agreements in further education; there is nothing like the collapse we have on the schools' side; there has been no large scale disruption of further education;
- (b) the strictly limited room for manoeuvre of the Advisory Committee. It is through the questions I would put and the directions I would give (draft Clause 2(1) and (3)) that I would set the cost envelope for the Committee's advice and require examination of matters such as regional variations in pay, the pay of teachers of shortage subjects, and the enforcement of contracts by the employers. To spell these matters out on the face of the Bill would increase objections and risk the exclusion of items which might acquire importance in the future;
- (c) the powers in clause 3 are the powers that I will need to issue regulations on teachers' pay and conditions. They are the means of imposing the Government's will on people when they won't comply. I am considering whether the drafting of this clause can, without altering the powers it provides, be revised to sound less draconian.

CMO until 20 December 1986

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EXTRACT FROM MR NORCROVE'S LETTER OF 30 APRIL 1987 TO MR SMITH [DES].

need, before the paper was published, to have made some progress in deciding the broad direction in which it wished to move.

Other points made in the discussion included the following.

- (i) The key phrase in relation to the Interim Advisory Committee had been included in your Secretary of State's statement of 30 October, namely, that it would "advise the Secretary of State on conditions of service and the distribution of pay within the resources available at the appropriate time". The possible remit to the Committee described in your Secretary of State's minute of 23 April (paragraph 10) seemed to represent a softening of that. Your Secretary of State said that was not the intention.
- (ii) There could be no question of creating a review body for the teachers: they had, unlike the nurses, sought to achieve their ends through strike action.
- (iii) A key objective in the permanent arrangements for settling teachers' pay would be to retain the freedom for the Government to decide the contribution to be made by taxpayers.
- (iv) There was a strong case for the Government to be deemed joint employers of the teachers, and it would be important to try to strengthen the means by which teachers' contracts could be enforced.

Concluding this part of the discussion, the Prime Minister said it was agreed that your Secretary of State might promise a consultation paper, but without setting a date for its publication or indicating a date by which permanent arrangements might be in place. In the coming weeks, and during an Election campaign if there were to be one before the summer, the Government should seek to bring out the size of the pay increases which had been granted to teachers and the other advantages of the settlement in order to prevent the teachers' unions keeping the focus on the claimed loss of negotiating rights. The Government should also point to the weaknesses of the Burnham arrangements, under which the Government had minimal voting rights, even though the taxpayer would foot 46 per cent of the bill, and they could also point to the way in which only 4 out of the last 12 settlements had been reached through the Barnham machinery. If asked why there could not be a meeting involving all the parties to settle future arrangements, it would be possible to point to the difficulty of establishing who should be present: industry and, in future, head teachers of schools which had chosen to opt out of the Local Authority sector, ought among others to be represented. Your Secretary of State would be writing to head teachers next week and every possible effort should be made to put across the Government's case.



PRIME MINISTER

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

Lord Chilver's Committee, whose members I appointed towards the end of July, will be holding its first meeting before the end of this month. I need in advance of that meeting to give the Committee some indication of the nature of their task. I enclose drafts of a formal letter of direction (under Section 2 of the Teachers' Pay and Conditions Act 1987), together with an informal letter of guidance, which I would propose sending to Lord Chilver later this month.

2. Officials of the other departments concerned have seen these drafts, and have not proposed any changes in the matters (paragraph 1 of the formal letter) to be referred to the Committee. But there remains one important outstanding issue on which Ministers need to reach a collective view: whether or not the Committee should be directed to keep the overall cost of their recommendations within a specified numerical ceiling. The Treasury have suggested a figure of 3.8 per cent, in line with the increase in total provision for local authority current expenditure in 1988-89.

3. I can see the advantage, from the standpoint of public expenditure control, of giving the Committee a specific maximum figure. But I believe nonetheless that it would be a serious mistake for the Government to seek to tie the hands of the Committee in this way at the outset of its work. There are a number of reasons:

- a. Such a figure would inevitably be seen as a pay norm (and in practice a pay floor). We as a Government have set our faces firmly against any attempt to impose such norms.

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- b. It would be very difficult to defend imposing a pay norm only on school teachers, and not on any other occupational group in the public services sector.
- c. The imposition of such a ceiling would be seen throughout the teaching profession as completely undermining the independence and authority of the excellent Committee we have appointed. It could well renew teachers' flagging support for disruption in schools.
- d. There is real doubt whether the Committee would be willing to serve if the Government constrained its remit in this way.

4. I appreciate, of course, the need to do all we can to emphasise the question of affordability, and to minimise the risk that the Committee's recommendations will prove incompatible with public expenditure provision for local authority services. I have sought to give the Committee a strong steer in the informal letter of guidance, where I specifically invite them to pay particular attention to the latest Public Expenditure White Paper and to next year's RSG settlement. These points can be further reinforced in the evidence the Government itself submits to the Committee. I hope that you, and E(EP) colleagues to whom I am copying this minute, will agree, on reflection, that I should go no further at this stage.

5. I am copying this minute to other members of E(EP), and to Sir Robert Armstrong.

KB.

KB

Department of Education and Science

7 September 1987

CONFIDENTIAL

DRAFT LETTER FROM THE SECRETARY OF STATE TO LORD CHILVER

1. I am grateful to you and your colleagues for agreeing to be members of the Interim Advisory Committee. I understand your first meeting is to be on Tuesday 29 September. The purpose of this letter and its enclosure is to set out in advance of that meeting the issues on which the Government now seeks the Committee's advice.

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

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

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

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

... 4. I attach a formal letter setting out the matters on which the Government now seeks the advice of the Interim Advisory Committee, together with some formal directions. Paragraph 2 (ii) refers to the Government's plans for local authority expenditure. I have particularly in mind here the plans set out in the Government's latest Public Expenditure White Paper (Cm 56), the statements made by the Secretaries of State for the Environment and for Wales on 23 July about local authority expenditure in 1988/89 and the forthcoming Autumn Statement on public expenditure and RSG settlement for 1988-89.

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DRAFT FORMAL LETTER FROM THE SECRETARY OF STATE TO LORD CHILVER

1. In accordance with Section 2 of the Teachers' Pay and Conditions Act 1987 I invite the Interim Advisory Committee to examine and report on the following matters.
 - (i) What changes should be made in the figures for salaries and allowances, and other details, set out in the Pay section of the School Teachers' Pay and Conditions Document 1987 with effect from 1 April 1988.
 - (ii) Should there be any modifications to the provision for differentials within the pay structure? In particular do the differentials between heads' salaries and deputies' salaries and between heads' and deputies' salaries on the one hand, and other teachers' salaries on the other, reflect appropriately the responsibilities of heads and deputies in primary and secondary schools (including special schools)?
 - (iii) Should there be any modifications to the definition of teachers' duties and working time?
 - (iv) Should there be any change in London area allowances and should any other regional variations in salaries be introduced?
 - (v) Is the existing social priority allowance still appropriate?
2. In considering these matters I direct the Committee under sub-section (4) of Section 2 to have regard to the following considerations.
 - (i) The School Teachers' Pay and Conditions Document 1987 sets out a new pay structure and a new definition of teachers' duties and working time. It was prepared taking account of work undertaken during the long period of discussions between the local authority associations and the teachers' unions with the assistance of ACAS, the recommendations in the Main Report, and views expressed in consultations with local education authority associations, teacher unions and bodies representing the interests of governors of voluntary schools. The Government does not intend to make major changes to the pay structure or to the definition of teachers' duties and working time for 1988-89.

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- (ii) [The Government's view is that school teachers' pay and conditions of service should enable the maintained school system to recruit, retain and motivate sufficient teachers of the required quality within what local authorities can afford and the Government's plans for local authority expenditure.]

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

3. I further direct the Committee to report to me the results of their examination of these matters, with their recommendations and such other advice relating to these matters as they think fit, by 31 March 1988. Section 2 (7) of the Act requires me to arrange for your report to be published.



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

PRIME MINISTER

FUTURE MACHINERY FOR SCHOOL TEACHERS' PAY AND CONDITIONS

We are to discuss Kenneth Baker's note on this subject on Thursday in E(EP). In view of the far reaching consequences of our decision for public expenditure I should like to set out my views in more detail, and in particular to explain why I think Kenneth Baker's preferred option, the Independent Advisory Committee, would be so damaging to public expenditure control.

✓ The Independent Advisory Committee is really a Review Body masquerading under another name. It is fundamentally different from the present Interim Committee, where we can directly limit the overall cost of its recommendations to a certain figure. The task of the Interim Advisory Committee, as agreed by Cabinet on 30 October 1986, is simply to advise on "the distribution of pay within the amount decided by the Government". (See CC(86)35th Conclusions, Item 5). Kenneth Baker's statement of 30 October 1986, announcing the establishment of the Interim Committee made this point clear, in saying that the Committee would advise on "the distribution of pay within the resources available at the appropriate time". This, of course, is why we took powers in the Act to direct the Committee to make its recommendations within a certain ceiling.

I am quite clear that we will need to use this power for as long as the Interim Committee exists. But, if the present Interim Committee is replaced by this new "Independent"



Committee, as Kenneth Baker proposes, it is unclear whether we would retain this power. Paragraph 4 of the paper implies that we might, but there is no commitment to this.

Without both a power to give directions and the willingness to use it, we would be in at least as bad a position as we are with the present Review Bodies. Our experience of Review Bodies is that they typically made recommendations well above settlements in the rest of the public services and the private ... sector. The table attached to this minute sets out the details. Review Body groups have received awards worth 65 per cent since 1980-81 compared with 46½ per cent for other central Government groups and 55½ per cent in the private sector.

The teachers' pay bill in England and Wales is currently about £6½ billion a year. Settlements in Northern Ireland follow those in England and Wales almost automatically and it would be unrealistic to expect teachers in Scotland, even if they were not formally covered by the Independent Committee, to accept anything below the awards of the Committee. Altogether we would be putting into commission public expenditure of nearly £8 billion per year. This compares with a pay bill for the present Review Body groups of £12½ billion.

Kenneth Baker says that the over-ride power will enable us to safeguard the position on costs, and points out that we staged the Main Report without difficulty. I believe the over-ride power will turn out to be virtually unusable because of the required Affirmative Resolution procedure. Even staging would be difficult: the comparison with the Main Report is a red herring because that staging was not subject to Affirmative Resolution, while future staging would be.



I have a further worry. If we establish this new Committee, whose recommendations we will not be able to stage, we will then have the greatest difficulty amending in any way the recommendations of the other Review Bodies. I fear that the consequence of establishing this new Committee would be that we would lose all control over the pay of 1½ million workers with a pay bill in excess of £20 billion per year. The public expenditure implications could not be more serious.

There is also the point of principle that Review Bodies are only justified for groups who do not take industrial action. It was made clear in 1983 when the Nurses Review Body was established that this had been done because nurses did not take industrial action. It was also stated that if this policy ever changed their inclusion within the Review Body system would have to be reconsidered. The other Review Body groups - Armed Forces, Doctors and Dentists, Top Salaries - also refrain from industrial action. Teachers, on the other hand, manifestly do take industrial action. To give them a Review Body would set the dangerous precedent that the way to gain a Review Bodies by a prolonged campaign of industrial action.

My firm view is that we must therefore restore negotiations within a body whose constitution represents a fair balance of all the interests, including the Government's interest in cost. I do not accept that such a structure would inevitably bring us into conflict with the combined forces of the unions and the local authorities. We are giving back to the unions what they want, negotiating rights. And, the composition of the Management Panel simply reflects the relative financial shares of the Government and local authorities for local authority spending. This is surely fair and is close to the arrangement that the local authorities accepted for 20 years, with the Government having a weighted vote and a veto on



offers for cost reasons, until the concordat was renounced in 1985. My proposed machinery also provides for ways of breaking deadlocks in negotiations. I think it is fair to all parties and should be the basis of the consultations envisaged in the Green Paper, although we may well wish, in the light of those consultations, to make changes of detail.

Finally, on procedure, I can see no arguments at all for the tactics recommended by Kenneth Baker in paragraph 19 of the paper. Once we have made up our minds we should consult on that basis. To issue a neutral Green Paper after we have made up our minds seems wholly misconceived and indeed perverse.

I am copying to E(EP) colleagues and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'N.L.' with a flourish.

N.L.

7 September 1987

Table 1: Percentage increase in settlements¹ by pay year and cumulative increases in settlements

| | 1980/81 | 1981/82 | 1982/83 | 1983/84 | 1984/85 | 1985/86 | 1986/87* | Cumulative full year increases settlements |
|--------------------|----------|---------|---------|---------|---------|---------|-----------------|--|
| Private Sector | 8½(9%) | 7(7½) | 5½(6) | 5½ | 6(6½) | 5½(6) | 5(5½) | 55% |
| Police and Firemen | 20½(20½) | 12½ | 9% | 8% | 5½ | 7½ | 7½ | 96% |
| Review body groups | 7½ | 7 | 5½(6) | 6½(7½) | 6½(8%) | 5½(7%) | 8 | 65 |
| Other Local Govt | 7½ | 6½(8½) | 5 | 4% | 5½(6%) | 6% | 7½(9) | 58½ |
| Other Central Govt | 7% | 6 | 4% | 4½ | 5 | 6(6%) | 5½ ² | 46% |
| Public Services | 8 | 6½(7%) | 5% | 5½(5½) | 5½(6%) | 6½(7) | 7(8%) | 58% |
| Overall | | | | | | | | |

1 figures in brackets full year costs

* latest available

2 Civil Service and NHS non review group settlements are included at 5.2%.

CUBG ✓



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

David Norgrove Esq
10 Downing Street
LONDON
SW1

21 July 1987
1. Q&A
2. NBPN.

Dear David

INTERIM ADVISORY COMMITTEE ON SCHOOL TEACHERS' PAY AND CONDITIONS

At E(EP) last week agreement was reached on a list of names for the Interim Advisory Committee. All the prospective members have accepted appointment to the Committee. My Secretary of State therefore intends to announce the membership of the Committee through an answer to a written Parliamentary question on the afternoon of Wednesday 21 July.

This letter is copied to the Private Secretaries to each member of E(EP), the Secretary of State for Northern Ireland and Sir Robert Armstrong.

yours sincerely
R L Smith

R L SMITH
Private Secretary



cc:BG

CONFIDENTIAL

P 02786

PRIME MINISTER

E(EP) discussion 15 July 1987

Steering Brief

I attach briefs on the four papers for this discussion. They make a formidable agenda, but it is most important to reach early decisions on items 2 to 4 if Mr Baker is to meet the Cabinet's deadlilne for having the legislation ready by mid November. This covering note briefly summarises the issues, and in particular considers which decisions are needed most urgently.

Item 1. Teachers' Pay Green Paper

2. The two main questions on this are:

- i. Is the general shape right? In particular, should the Green Paper present the options entirely neutrally? Mr Baker thinks so, but the Chancellor may argue that the Government should first decide what it wants, and then draft the Green Paper accordingly.
- ii. What is the target date for publication? The Election Manifesto promised a Green Paper, and Mr Baker has said it will appear soon. He would like it out before the Recess and there is a case for that if the draft is acceptable to the Committee. But there is no specific commitment, and publication could slip until say September if this was necessary to get it into proper shape. If substantial changes are to be made to reflect the Chancellor's view, such a delay would be difficult to avoid.

Item 2. Higher education pay.

3. There is disagreement here between Mr Baker who, broadly, wants negotiations on HE pay left largely to the employers and employees, and the Chancellor, who wants formal Government involvement.

4. The Chancellor's proposal would require controversial legislation and in present circumstances that is a strong argument against it. But if he were to win, early consultation would be necessary because of the effect on the Education Bill. It might be awkward to have the consultative document on HE pay out before the Green Paper on teachers' pay if the latter slipped, but that might have to be faced. If, however, Mr Baker prevails no legislation would be needed and there would not be the same urgency. The HE document could then probably come out at the same time as the Green Paper, whenever that was.

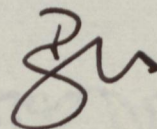
Item 3. Grant maintained schools

5. This paper contains Mr Baker's more detailed proposals for opting out arrangements. The Manifesto promised that such arrangements would be made and they will be included in the Education Bill. There is therefore a strong case for a consultation document before the Recess, as Mr Baker proposes.

Item 4. Further education

6. Mr Baker proposes to legislate for financial delegation from LEAs to further education (FE) colleges broadly along the same lines as for schools. He says that to anticipate irresistible pressure such legislation would have to be extended to put LEAs' powers in this area beyond doubt, and to give them new duties. The new duties will have resource implications and will be opposed by the Treasury.

7. The main question for the Committee is whether to have any FE legislation at all and, if so, how far down Mr Baker's shopping list it should go. There is obviously a strong case for giving FE colleges the same financial autonomy as schools, but there is no Manifesto commitment and this could be regarded as a more optional part of the education package (with a consequent saving to the Bill). If however the Committee do decide on FE legislation in the Education Bill, an early consultative document would be necessary.



J B UNWIN

Cabinet Office
14 July 1987

cc BSG

for E(EP)
back up.

Prime Minister

TEACHERS' PAY AND CONDITIONS GREEN PAPER

Kenneth Baker's minute of 8 July *with DRN?* and his draft Green Paper raises one difficulty only in the section (paragraphs 6.6-6.9) which relates to local finance.

By drawing attention to the impact national teachers' pay settlements may have on local authority expenditure and the implications for local accountability, they give ammunition to those who are now arguing for centralisation of the costs of teachers' pay or the education system altogether.

There is no particular need to deal with this subject in this way and I suggest deletion of those paragraphs which may otherwise be seized on as a stick with which to beat us.

I am copying this letter to the other members of E(EP) and Sir Robert Armstrong.

N R

14 July 1987

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ce BG.

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SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

R L Smith Esq
Private Secretary to the Secretary of State
for Education and Science
Department of Education and Science
Elizabeth House
York Road
LONDON
SE1 7PH

14 July 1987

for E (EP)
back up.

~~AF~~

Den Pora

EDUCATION POLICY

WITH DN

In your Secretary of State's minute of 8 July to the Prime Minister he asked for comments on the text of his Green Paper on teachers' pay and conditions.

My Secretary of State is generally content with the Green Paper and considers that the openness of the discussion in Chapter 7 should help to calm some of the wilder fears expressed by the teachers' leaders. Although the Green Paper has been drafted to meet the particular circumstances of England and Wales it is bound to serve as a reference point for any discussions about future arrangements in Scotland. He therefore would have welcomed a little more time to study the draft. He has however the following comments to offer:

- i. Given the close interaction between events in Scotland and events in England and Wales over the past few years it seems to him a little odd that there should not even be a bare factual description of the arrangements for determining teachers' pay and conditions of service in Scotland (or Northern Ireland for that matter). I attach a short form of words which could be used if such a reference were thought helpful.
- ii. The suggestion that decisions on the teachers' side of a negotiating body should require 80% support would not be nearly as powerful a device in Scotland as in England and Wales. Our largest teaching union (the EIS) already has about 80% of teachers in its membership and is only one seat short of 80% of the Teachers' Side.
- iii. A major weakness of the present negotiating bodies is the reluctance of the local authority side to behave as managers should (and respect the interests of the ratepayer and taxpayer). This may well support the argument for some kind of independent element in the process to stimulate and override; it also casts doubt on the efficacy of a device such as pendulum arbitration. These are however points to pursue after the consultation period is over.

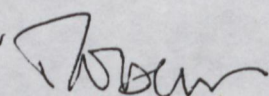
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iv. Colleagues in England and Wales should be aware that having a single negotiating body for pay and conditions of service does not necessarily make it any easier to negotiate pay and conditions of service sensibly together.

In view of the close interaction between the negotiation of teachers' pay and conditions of service in Scotland and in England and Wales my Secretary of State believes it is essential for future policy on these matters to be considered in close parallel and for the links between the 2 systems to be looked at carefully. He will therefore be reviewing the operation of the present Scottish system during the consultation period for the Green Paper and would welcome an early opportunity to discuss the results of that consultation with your Secretary of State.

Copies to the ~~Private Secretaries~~ to other members of E(EP), to David Watkins (NCO) and to Trevor Woolley (Cabinet Office)

Yours ever


Robert Gordon
Private Secretary

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PRIME MINISTER

14 July 1987

Green paper on Teachers' Pay

Reading the Green paper for the second time yesterday forced me to ask myself more basic questions than previously.

The fundamental question must be "What are the benefits and risk from publishing the Green Paper this month?"

The Green paper is being issued as a genuine attempt at consultation. This impression will be reinforced by its neutral stance. But we already know that the unions will reject all alternatives except for a return to free collective bargaining and that this is supported by a sizeable and vocal minority.

When the Secretary of State completes his consultation - say by Christmas - he will then have to declare his hand. It is almost certain that he will reject such demands by the unions. The unions will then argue that this only shows that he issued the Green Paper in bad faith and had no intention of real consultation at all. He knew precisely what he wanted all along.

This would seem a very unproductive approach and will estrangle the unions even more than at present.

Far better to issue a White Paper - in say late September - which gives a much stronger lead by the government of the direction in which it wishes to go, and then begin a debate on the substantive issues. After all we have some very good and sensible arguments to deploy in public which are being

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drowned at present by the unions case based on natural justice.

Recommendation

Issue a White Paper in late September/early October which sets out alternatives, the government's case for its preference and then have a genuine consultation.

The most likely outcome will probably be the establishment of new negotiating machinery with strong government involvement along the lines proposed by the Treasury last year.

Brian Griffiths

BRIAN GRIFFITHS

P.S. I have just seen the Chancellor's letter to the Secretary of State - I very much agree with it: it develops far more eloquently my own thoughts.

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CC [initials]

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N.G.C.

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P.A.T. Rev.
N.A.H.T. - whole
Heads

PRIME MINISTER

TEACHERS' PAY AND CONDITIONS: GREEN PAPER
[Minute to you of 8 July from
the Secretary of State for Education and Science]

CONCLUSIONS

You will wish the Sub-Committee to decide:

- a. whether the content of the draft Green Paper is acceptable; and
- b. when it should be published.

BACKGROUND

2. Mr Baker hopes to announce shortly the full membership of the Interim Advisory Committee on Teachers' Pay and Conditions, which Lord Chilver is to chair. He has told the unions it is unrealistic to expect new permanent arrangements to be in place by April 1988. Meanwhile, most teacher unions and Labour local authority associations are seeking to negotiate arrangements for a National Joint Council (NJC) which would be much akin to the Burnham arrangements.

3. Mr Baker proposes to broaden the public debate beyond the NJC proposal by issuing the draft Green Paper on Teachers' Pay and Conditions, circulated to E(EP) colleagues under cover of his minute to you of 8 July.

MAIN ISSUES

4. One of the purposes of the Green Paper is to demonstrate, by

its analysis of the history of teachers' pay arrangements in England and Wales, that previous arrangements have failed and must be replaced; and by its full treatment of all the possibilities for future arrangements to convince the public (and the teachers) that the union claim that the Government has decided to end their negotiating rights is unfounded.

5. I think the draft succeeds quite well in these limited objectives. But the key issue is whether it should leave the future options so open. The advantage of this is that it leaves the Government with a free hand to decide which arrangements to adopt. Mr Baker believes that to favour a particular solution now would attract objections and unite the main parties in support of arrangements similar to Burnham. It would also stir the pot up again at a time when the Government still has the initiative.

6. The Chancellor of the Exchequer, however, is likely to question the openness of the present draft and to argue that the Government should, before the Green Paper is published, make up its mind on the broad direction in which it wishes to move - if only to enable it to steer the debate towards preferred options. The Treasury view is that the permanent arrangements on pay and conditions must give the Government significant representation including powers to veto offers on cost grounds and effectively to enforce a settlement, if the interested parties cannot agree on sensible and affordable terms. Mr Lawson is therefore likely to suggest that the Green Paper should reveal more of the Government's hand, possibly by outlining a series of objectives which the new pay and conditions of service arrangements must achieve if they are to succeed.

7. This is met, to an extent, in Chapter 4 of the draft text, which sets out 4 key principles (continuity of education, affordability, manpower and management considerations) which any new machinery will have to address. It might help the Chancellor if this Chapter were revised to emphasise the need to involve the Government, as the provider of finance. Other possibilities would

be to delete, or give a steer against, the options mentioned in Chapter 7 most likely to lead to extra public expenditure - for example the creation of a new review body, or a pay formula based on comparability. Any substantial recasting to meet the Chancellor's view would however probably make it impossible to publish the Green Paper before the Recess.

8. This apart, you may wish the Sub-Committee to consider the following more specific points on chapter 7 of the text (the key chapter, which sets out the possibilities for new machinery):

a. Should questions be put at the end of each section?

Many of these simply invite the answer 'No' and could make it more difficult for the Government to introduce arrangements that in practice constrained negotiating freedom. It may be better simply to invite views on the text, without the multiple choice questionnaires.

b. Head Teachers on the Management Side (Paragraph 7.27)

Treasury officials are concerned about the proposed presence of headteachers on the management side. On the other hand, this fits in with Government's view of the responsibilities of headteachers in schools, and should attract support from them.

c. Arbitration (Paragraph 7.45)

The Treasury will resist unilateral access to arbitration; but are content for it to be mentioned as a possible option here.

d. Should there be any mention of a pay formulae? (Paragraphs 7.59 and 7.60)

The Treasury are likely to resist any suggestions for a pay formula but are content for this to be mentioned as an option. Comparability has, however, proved expensive in the past and it might be worth considering whether this option should be mentioned at all, or mentioned so neutrally.

e. Should the discussion of no-strike arrangements (Paragraph 7.61) be strengthened?

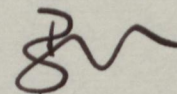
Paragraph 4.4 of the draft sets out, as one of the key principles to be addressed by any new machinery, that it should deliver settlements without disruption of schooling. But paragraph 7.61 on the question of no-strike arrangements simply says "it might be possible to limit the likelihood of industrial action by arrangements which placed clear responsibilities on the management and teachers' sides to take part fully in negotiating procedures..." This sounds very weak and could do with strengthening. But it has proved very hard in practice to devise workable arrangements to deliver continuity of schooling.

Timing of Publication

9. Mr Baker judges that the Government would face criticism if it did not publish the Green Paper by the middle of September; and he would like to be able to publish it before the end of July if this became tactically desirable (i.e. if pressure built up from the unions about the Government's intentions on permanent arrangements). Publication by the end of September would, however, give Ministers another chance to look at the document after the holidays; in any case, there is unlikely to be much comment during the holiday period in August. The Chancellor of the Exchequer is likely to favour deferral of publication until September so that the draft can be amended to reflect his views.

HANDLING

10. You will wish to invite the Secretary of State for Education and Science to present his proposals. The Chancellor of the Exchequer may wish to respond. The Secretary of State for Employment may have views. The Lord President of the Council and the Lord Privy Seal may wish to comment on the tactical handling of the Green paper. The Secretaries of State for Wales and Scotland may also wish to comment.


J B UNWIN

Cabinet Office
14 July 1987



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

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

14 July 1987

Dear Secretary of State,

TEACHERS' PAY AND CONDITIONS: GREEN PAPER

We are due to discuss this at E(EP) tomorrow but, as requested by the Prime Minister, I am circulating my views in advance.

I am sure we should not issue a document of this kind, which merely sets out all the alternatives without giving any indication of the Government's views. An unguided discussion will ensue, resulting in a broad consensus supporting the National Joint Council model - just the outcome that I think all colleagues wish to avoid. This is almost inevitable given that on 1 June representatives of the employers and four of the six unions, representing well over 80 per cent of teachers, argued that such a National Joint Council should be established.

We will therefore gain nothing if we consult on the proposed open-ended basis. There would simply be a delay before the Government responds and then further trouble when we announce that we are proceeding with a different model from that which most outside groups will have supported. They will argue that the whole consultative process has been a farce.

The only way we will get any benefit from these consultations will be for the Government to take the initiative in the Consultative Document and describe the arrangements that it would like to see adopted. It should argue the case for this particular model and, while alternatives should be covered, the thrust of the document should be to persuade people of the merits of the Government's proposal. The precise details of our model could still be left open and comments invited on this aspect of the proposal.

If we approach the consultations this way we shall focus responses on the details of our preferred approach and, I trust, get some useful comments. This is surely preferable to an unguided debate that will



too strong.

Record of the meeting attached, see second page.

be largely irrelevant because it will concentrate on an option that we have no intention of adopting. My proposal is, of course, the approach that was agreed at the Prime Minister's preliminary meeting of 30 April and the 1 June agreement between the local authorities and unions has served only to strengthen the case for that approach.

I recognise that we are not yet agreed among ourselves about what the future arrangements should be. You hint that you favour some development of the Interim Advisory Committee model. I must say I would be opposed to this model, which is effectively the setting up of a Review Body under another name. I favour negotiations (which is what employers and most unions want) but with a degree of Government influence and control over the outcome that reflects our responsibility for financing half the resultant paybill.

I doubt if we will settle this issue tomorrow and I do not think that we need to. We are committed to publishing a Green Paper this year but the publication date could slip to the autumn without any harm being done: we are after all consulting about arrangements for 1989. I suggest that we ask the Official Group on Teachers Pay (MISC 123) to prepare a note on the options for the future which we could consider in the autumn. When we have made our own minds up we could then issue a Consultative Document of the sort that I have in mind that makes the case for our considered preference.

I am copying to E(EP), Tom King and to Sir Robert Armstrong.

Yours sincerely

Cathy Ryding

PP
NIGEL LAWSON

(Approved by the Chancellor and signed in his absence)

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cebg.



Prime Minister
You might like to confirm at E (EP) that these proposals are acceptable.

PCW
14/7.

PRIME MINISTER

INTERIM ADVISORY COMMITTEE MEMBERSHIP

at flap

I am grateful to colleagues for their helpful suggestions about the membership of the Interim Advisory Committee following my letter to Peter Walker of 7 July. It is important that we now move quickly to announce the full membership before the recess.

As we have not reached agreement on the name of a deputy chairman, and we are not required to have one, I have concluded that it would be better not to name any member as deputy chairman. Lord Chilver will in any case have to be present at all the Committee's meetings.

I agree that we need a high quality profit-making private enterprise industrialist. Of the names put forward I favour Norman Fowler's suggestion, Geoff Armstrong of Metal Box.

I also agree with Nigel Lawson that Judith Chaplin would make a valuable contribution.

(Institute of Directors, former Chairman of Norfolk Education Committee)

Norman Fowler has suggested that Ken Graham might be more appropriate than Bill Kendall - who now might not be available. I accept Norman's advice that we could expect Ken Graham to be tough but realistic.

just leaving the TWC

Peter Walker has suggested a woman primary head teacher from Wales. She is Mrs White, retiring this term from a school in Cardiff. I am grateful for this suggestion.

I continue to believe that Ray Carter, now a Director of Marathon Oil, would make a level headed contribution to the

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Committee as one of its members. The fact that he was formerly a Labour MP will help the Committee's credibility. I note that Nigel Lawson would go along with this suggestion.

The other two members I proposed in the list I circulated on 7 July have not provoked comment. They are Mrs A Hogg whom the Department of Employment regard very highly and Dr Peter Andrews who is a very sensible retired secondary head.

My proposed full membership is therefore:

*for the Doctors and
Dentists Review
Body*

Lord Chilver
Mr G Armstrong -
Mrs J Chaplin
Mrs A Hogg
Mr K Graham
Mr R Carter
Mrs White
Dr P Andrews

I would like to approach these people within the next couple of days. If colleagues have any remaining concerns I would be grateful if we could reach decisions at E(EP) tomorrow morning.

I am sending copies of this minute to members of E(EP) and to Sir Robert Armstrong.

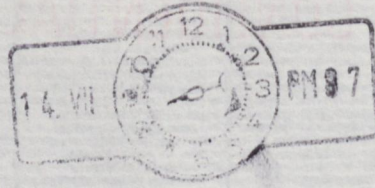
K.B.

K.B.
Department of Education and Science

14 July 1987

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Education: Teachers Pay PT10



COMPTON



10 DOWNING STREET
LONDON SW1A 2AA

DN
Prime Minister
This letter
recorded your
preliminary comments.

From the Private Secretary

13 July 1987

JRS
14/7.

Dear Bob,

EDUCATION POLICY

Your Secretary of State has circulated a series of papers for Wednesday's meeting of E(EP). The following are the Prime Minister's preliminary comments.

First, the proposed Green Paper on teachers' pay and conditions, circulated with your Secretary of State's minute of 8 July. The Prime Minister has asked that colleagues should if possible circulate their comments before Wednesday's meeting so that discussion, if one is needed, will be as brief as possible. As for her own comments, she believes that it would be useful to include a paragraph in the introduction, possibly right at the beginning, setting out the background to the Green Paper, including in particular the very large pay award which the teachers have received. Generally, the Prime Minister believes there is a need to put across much more forcefully again the scale of the increase, and this would be one place to do it.

On more detailed points, the principles for the new machinery described in chapter 4 need in the Prime Minister's view to be rewritten and reordered. The first principle, that the new machinery should be designed to deliver settlements without disruption of schooling, is not in her view a principle at all. It is a hoped for effect of the new arrangements. The other three principles should be reordered, so that they run manpower, management, and affordability, and the 'manpower' principle should be described in terms of recruitment, retention and motivation rather than in terms of the need to staff schools in competition with other employers. In paragraph 6.8 the reference to a 'perceptible' increase in the community charge arising from a substantial increase in teachers' pay looks odd. 'Perceptible' should be amended to read 'considerable'.

Secondly, the paper on grant maintained schools (E(EP)(87)5) states (paragraph 3) that few governors could ignore a strong message from the parents in favour of opting out. This contrasts with more detailed statement set out in the annex which suggests that a majority of parents voting would oblige governors to make an application. The Prime Minister prefers the formulation in the annex. On recruitment

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costs (paragraph 4) the Prime Minister believes that GM schools should not receive the costs of administration incurred by the LEA in administering LEA schools and the Prime Minister also believes it to be quite wrong that staff at schools which opted out should have a right of continuity of employment at the GM school (paragraphs 22 and 24 of Annex A): it is vital to leave a way for head teachers and governing bodies to prevent the transfer of trouble-makers.

On maintained further education (E(EP)(87)4) the Prime Minister questions the inclusion of staff on the governing bodies of FE colleges (paragraph 7) and is opposed to the inclusion of new measures on the youth service, which the Government has opposed for many years, partly on grounds of cost.

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

y
Mrs,

David

DAVID NORGROVE

Rob Smith, Esq.,
Department of Education and Science

CCB9



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

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

13 July 1987

Dear Secretary of State,

NBM

INTERIM ADVISORY COMMITTEE MEMBERSHIP

Thank you for sending me a copy of your letter of 7 July to Peter Walker.

The membership that you propose seems to be based on representing interest groups and balancing political parties rather than choosing individuals who are, and will be seen as non-partisan, independent and of stature. In particular I am strongly opposed to choosing a deputy chairman solely because he or she is an active Labour Party politician. I understand that although Lord Chilver intends to take the Conservative Whip in the House of Lords he is not an active political campaigner and there is no need to balance him with an active Labour campaigner.

I think that it is essential to have an industrialist as deputy chairman. I suggest either Sir Trevor Holdsworth of GKN or Sir Kenneth Durham who is now chairman of Woolworth and was previously chairman of Unilever. Both are senior and respected industrialists with a close interest in education and training.

I cannot accept Nicky Harrison as either deputy chairman or for membership of the Committee. I have nothing personal against her but she was too closely involved in the Burnham arrangements to be truly independent and her partisan criticisms of our education policy are a matter of recent public record. If you insist upon having a Labour Party nominee I would not object to Ray Carter as an ordinary member, but not as deputy chairman.

at top



Turning to the nominees for ordinary members I have nothing against any of them as individuals but I think we could do with more industrialists. After all they are the ultimate consumers in this matter and I think their views will be especially useful. I would like you to consider the following four people. Judith Chaplin, who is now with the Institute of Directors, has knowledge and experience of this subject as a former chairman of Norfolk Education Committee.

Sir Norman Lindop is an academic scientist with strong industrial connections who is also experienced in academic administration.

Obviously I do not suggest that you appoint all these people but I think that one or two of them are needed to reflect adequately the point of view of industry, which relies on our schools to produce their future workforce.

I am copying this minute to the Prime Minister, Willie Whitelaw, Peter Walker, Norman Folwer and to Sir Robert Armstrong.

TEMPORARILY RETAINED. G. Gray 18/12/2015

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OF THE PUBLIC RECORDS ACT

Yours sincerely,

Cathy Ryding

PP NIGEL LAWSON

(Approved by the Chancellor
and signed in his absence)

PRIME MINISTERTEACHERS' PAY AND CONDITIONS: GREEN PAPER

Mr. Baker has now circulated his Green Paper on long term arrangements for determining schoolteachers' pay and conditions. This discusses all the possible arrangements and, like John Ebdon's investigations into the BBC sound archives, comes to no very clear conclusion. This is of course the object of the exercise.

The meat of the document is in the second half.

Generally, it seems an admirably clear and balanced piece of work. I suspect that the Treasury may want to put in a stronger steer, for example against a review body. But if the document is to be credible it must not be biased, and Mr. Baker would be right to resist changes of that kind.

The only changes I can see which you might consider proposing are first, on pages 19 and 20, the document sets out the principles to be addressed in any new machinery. It starts with the need to deliver settlements without disruption of schooling. This surely is not the first principle: it is important to avoid disruption, but the other principles, namely recruitment, retention and motivation, effective management, and affordability, are in the longer run more important. A better order might be recruitment and retention, management, affordability, then disruption (ie. 3, 4, 21). The principle dealing with recruitment, retention and motivation should be reworded so that those words appear in it.

Secondly, in paragraph 6.8, the reference to a "perceptible" increase in the community charge arising from a substantial increase in teachers' pay looks very odd.

The timetable proposed by Mr. Baker is important. He suggests being ready to publish before the end of July if that becomes

tactically desirable with publication otherwise by the middle of September. The deadline for comments would be 30 November and the Green Paper concludes: "the Secretary of State will approach the discussions on the responses to the Green Paper with a positive view to the prospect of new arrangements being in place by April 1989".

Mr. Baker's concern about teachers' negotiating rights indicates that the Government are losing the propaganda battle. The huge increase in teachers' pay has altogether disappeared from sight. Mr. Baker should be urged to make sure that people do not forget it.

Disagree

A para at the beginning of the Introduction should not come across.

Agree:

- (i) the drafting changes proposed above;
- (ii) the proposed document subject to the views of colleagues;
- (iii) that Mr. Baker should again take the offensive on teachers' pay;
- (iv) colleagues should if possible circulate their comments before the meeting so that discussion, if one is needed, will be as brief as possible?

mb

DKN

DAVID NORGROVE

10 July 1987

SLHAKX

CCB

Y SWYDDFA GYMREIG

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Tel. 01-270 3000 (Switsfwrdd)
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WELSH OFFICE

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From The Secretary of State for Wales

The Rt Hon Peter Walker MBE MP

10 July 1987

NBM

DL K. Baker

Thank you for your letter of 7 July about membership of the Interim Advisory Committee on teachers' pay.

I support your suggestion that Mrs Nicky Harrison should be invited to be Deputy Chairman of the Committee. Her experience in education matters, and in negotiations with teachers in particular, would give the Committee greater credibility as an independent body in the eyes of both the local authority and teacher associations.

I have no objections to your proposals for the remaining membership of the Committee and I endorse the suggestion that ~~she should be invited to serve.~~ *I am looking for a Welsh Judge as you suggest*

I am copying this letter to the Prime Minister, the Lord President, the Chancellor of the Exchequer, the Secretary of State for Employment and Sir Robert Armstrong.

[Large handwritten signature]

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

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~~APD~~ *file* *DISASTY*
CF *CCBG*

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

9 July 1987

INTERIM ADVISORY COMMITTEE MEMBERSHIP

The Prime Minister has seen your Secretary of State's letter of 7 July to the Secretary of State for Wales about membership of the Interim Advisory Committee on Teachers' Pay. She has noted that none of the people proposed comes from a profit-making private enterprise and would wish someone of this kind to be included. She is otherwise content, subject to the views of colleagues.

I am copying this letter to the Private Secretaries to the Lord President, the Chancellor of the Exchequer, the Secretary of State for Employment, the Secretary of State for Wales and to Sir Robert Armstrong.

D R NORGROVE

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



~~APPS~~ UCDY
CF to keep

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The Rt Hon Kenneth Baker MP
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Department of Education and Science
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July 1987

Ken

NBM

TEACHERS PAY AND CONDITIONS

at 1100

I am generally content with your proposals for membership of the Interim Advisory Body on Teachers Pay.

Two reservations have however been put to me which I think you should consider.

has much going for him but if we are looking for someone to put some sharp private sector realism into the Body's deliberations he may not be the man. Geoff Armstrong of Metal Box may be a better choice.

Bill Kendal is an experienced and reasonable trade unionist but he was very closely associated with the negotiations chaired by Sir John Wood last Summer which came up with proposals for teachers pay we all found unacceptable. This Department has a very high regard for Ken Graham who is just leaving the TUC and who has proved to be both tough and realistic.

I am copying this to the recipients of your minute.

Norman Fowler

NORMAN FOWLER

Lce BG



PRIME MINISTER

TEACHERS' PAY AND CONDITIONS: GREEN PAPER

1. We have now agreed upon the Chairman of the Interim Advisory Committee on Teachers' Pay and Conditions. I wrote to colleagues earlier this week about the rest of the membership and would hope to be in a position to announce the full membership of the Committee shortly.
2. The next action after the appointment of the Interim Advisory Committee will be the publication of a Green Paper dealing with long term arrangements for determining school teachers' pay and conditions.
3. I have made it clear to the teacher unions that it is entirely unrealistic for them to argue that new permanent arrangements should be in place by April 1988. Hence the importance of the announcement about the membership of the Interim Advisory Committee to make absolutely clear that the arrangements approved by Parliament in the Teachers' Pay and Conditions Act 1987 will apply as far as April 1988 is concerned.
4. We made clear commitments in the manifesto that the Interim Advisory Committee arrangements would be temporary, we wanted an effective and permanent machinery for settling teachers' pay in which the interests of all parties would be recognised, and we would produce a Green Paper to provide a basis for wide consultations with a view to establishing new and effective machinery. In view of the concerns expressed by both teachers and parents about the pay determination arrangements for teachers during the election campaign, I do not think that we should long delay issuing a Green Paper. Our credibility will depend on keeping open the

prospect of new permanent machinery being in place for April 1989.

5. The Labour dominated local authority associations and most of the teacher unions are together trying to negotiate arrangements for a National Joint Council which, despite some concessions, will be fairly similar to the discredited Burnham arrangements. I judge that it will be very important to broaden the public debate beyond this narrow proposal.

6. I have therefore prepared the attached Green Paper which looks at a range of critical issues and sets out a detailed series of questions that need to be addressed in considering pay determination machinery for the longer term. At this stage I want a lengthy discussion to take place and avoid, as far as possible, support building up for any one particular alternative until there has been a breathing space and some initial experience has been gained of the Interim Advisory Committee machinery.

7. Therefore the Green Paper aims to see that the complex range of issues are thoroughly addressed. It does not advocate any particular solutions: this would immediately invite a range of objections to such solutions and focus the main interests in support of a negotiating model which is not dissimilar to Burnham. Our aim should be to elicit a spread of reactions to the questions set out in the Green Paper in the light of which we would prepare our own proposal for arrangements to succeed those set up by the Teachers' Pay and Conditions Act 1987.

8. The time for us to reach decisions within Government will be following consideration of the responses to the Green Paper and to the initial work of the Interim Advisory Committee. It would be premature for us to try to come to conclusions now.

9. But my provisional thoughts are that despite the pressures that there will be from most of the teacher unions and the local authority employers I do not think we can return to a negotiating committee or joint council which is similar to the Burnham machinery. The history of pay negotiations for teachers demonstrates the competing

political interests of those on the management side and the effects of inter-union rivalries which have meant that Burnham failed to deliver settlements meeting necessary requirements. It is just possible that the eventual right solution may be some modification of the Interim Advisory Committee and its associated consultative processes.

10. I think that the Government will be in danger of an under-current of criticism if it does not publish a Green Paper by the middle of September. I would like to be in a position to publish the Green Paper before the end of July if over the next 2 or 3 weeks that becomes tactically desirable. I would therefore be grateful to have ~~any comments on the attached text of the Green Paper by Wednesday 15 July.~~ If colleagues consider it necessary we could of course discuss the draft Green Paper at E(EP) on that day.

11. I am copying this minute to all members of E(EP), the Secretary of State for Northern Ireland and Sir Robert Armstrong.

K.S.

KB
Department of Education and Science

8 July 1987

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DRAFT GREEN PAPER

FUTURE MACHINERY FOR DETERMINING TEACHERS' PAY AND CONDITIONS OF SERVICE

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CHAPTER 1: INTRODUCTION

1.1 Over a number of years it has increasingly been considered that the Burnham arrangements for determining pay and conditions for school teachers needed to be replaced. The Teachers' Pay and Conditions Act 1987 provided for interim arrangements. The Government intends to move to permanent arrangements. The Secretary of State for Education and Science said in the House of Commons on 5 May:

"the Interim Advisory Committee will provide us with a breathing space to work out effective permanent machinery. I have made it clear that I do not want to be the determiner of teachers' pay. I and my colleagues intend to enter into detailed discussions later in the year with all those with an interest including the teacher unions, the local authority associations and the churches."

1.2 The Secretary of State gave a commitment to publish a Green Paper setting out key issues and questions about the most appropriate way of constructing effective permanent machinery for determining pay and conditions. It is the Government's view that a careful consideration of the issues and questions raised in this Green Paper will provide a crucial basis for decisions about the longer term.

1.3 The Green Paper sets out in Part I the history of pay determination arrangements for school teachers and in Part II identifies considerations relevant to the future. The chapters in Part II put issues into the broad context of requirements for the future (Chapter 4), the wide range of different interests (Chapter 5) and the changing context resulting from various policy initiatives (Chapter 6).

1.4 Chapter 7 sets out a range of issues to be addressed about new machinery. It is not intended at this stage to be prescriptive. Various alternative approaches to different issues are identified. It is the Government's view that in the breathing space provided by the Interim Advisory Committee it is important that each question is considered carefully with the aim of finding a long term solution that is fair to teachers, parents, tax payers, rate payers and to the children.

1.5 Chapter 7 identifies 2 main elements to the determination of pay and conditions for teachers, namely the role of negotiation and the contribution of an independent role. The questions concerning negotiation arise from the various different interests, including the large number of teacher unions, which have a concern with teachers' pay and conditions. There has always been an independent element in arrangements for teachers' pay. A key issue is the extent to which there should be a greater or lesser role for an independent element in the future.

CONFIDENTIAL**PART I: HISTORY OF TEACHERS PAY ARRANGEMENTS IN ENGLAND AND WALES****CHAPTER 2: PAY MACHINERY SINCE 1919**

2.1 In considering future arrangements for determining teachers' pay and conditions of employment, it is important to look at past arrangements. This Chapter summarises the development of teachers' pay machinery from 1919.

NEGOTIATING MACHINERY

2.2 In 1919, against a background of threatened local strike action, a Standing Joint Committee (SJC) was set up, chaired by Lord Burnham, bringing together representatives of the local authorities and elementary (primary) school teachers in a national forum. The next year a second SJC was set up covering secondary schools. The SJCs were non-statutory bodies and their reports were voluntary agreements.

2.3 At later dates further committees were set up to deal with teachers in Technical Schools, Colleges of Education and Agriculture Institutes. These later became the Burnham Further Education Committee. This chapter deals only with developments in the primary and secondary committees. In 1938 the Committees formally changed their names to the Burnham Committees in memory of their first chairman.

2.4 From 1919 onwards, the committees had separate management and teachers' panels. Each panel spoke with a single voice reflecting the panel's majority view. Negotiations were conducted under an independent Chairman, and any settlement had to have the agreement of both panels.

2.5 The Primary SJC made a Provisional Minimum Scales Report in 1919. The scales agreed became standard scales in 1920, and in the same year standard

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scales were agreed for secondary schools. These scales remained in force with minor changes until 1945.

2.6 Section 89 of the Education Act 1944 gave the Burnham Committees a statutory basis. The Act required the Committees to submit to the Minister of Education "such scales of remuneration for teachers as they consider suitable". The Minister was empowered to implement their recommendations by Order if he approved. No provision was made for the Minister to modify the Committees' recommendations before implementation; nor was any procedure established for resolving disagreements between the Committee and the Minister.

2.7 In 1944, the two school Committees were combined since the jobs of teachers in the two sectors were considered to be similar, and in order to simplify the Burnham system.

2.8 The limitations of the 1944 Act became clear in 1959 when the Minister did not at first approve the Committee's recommendations. On this occasion he did decide at a later stage to approve its recommendations. In 1961, there was another disagreement, and the Committee eventually submitted a revised report which was accepted. However, in 1963, the Committee's report, which benefited teachers at the bottom of the basic scale at the expense of better qualified and more experienced teachers, was rejected by the Minister and it proved impossible to agree a compromise.

2.9 The Government decided to introduce legislation to put into effect its pay structure and the result was the Remuneration of Teachers Act 1963. This Act was a temporary measure giving the Minister powers to introduce his own salary scales by Order but only until March 1965.

2.10 In 1965, Section 89 of the 1944 Act was replaced by the Remuneration of Teachers Act 1965. Under this legislation the Secretary of State was represented directly on the Burnham Committee for the first time and agreements reached in the Committee would come into effect without further opportunity for Government intervention. The Secretary of State was obliged to implement the Committee's recommendations, which then became binding on local education authorities. The Act also made provision for the Secretary of State to make

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arrangements for arbitration following consultation with the bodies represented on the Committee. The arrangements then made provided that where an agreement could not be reached, and one panel so requested, that matter was to be referred to arbitration if the independent Chairman considered that there had been full opportunity for discussion.

2.11 Under the 1965 Act the arbitrators' recommendations were then treated as if they were recommendations of the Committee and implemented unless both Houses of Parliament resolved that national economic circumstances required that they should not be put into effect. Only then was the Secretary of State, after consultation with the Committee, empowered to make his own determination. In 1981, the Secretary of State, after consultation, changed the arrangements for arbitration so that arbitration was available only when both panels agreed to such a reference.

ROLE OF GOVERNMENT, LOCAL AUTHORITIES AND TEACHERS

2.12 Since 1919, the arrangements for determining teachers' pay have recognised the role of three parties: the Government, the local authorities, and the teachers. There has also been an independent chairman.

The Government

2.13 Until 1944, the role of the Government was restricted to the acceptance, for the purposes of grant support, of expenditure by local authorities on teachers' salaries not exceeding that resulting from the application of Burnham scales. The effect of this was to discourage payments to teachers above the Burnham scales, but also to encourage local authorities to bring pay up to the Burnham rates.

2.14 Under the 1944 Education Act, the Minister of Education was empowered to make Orders requiring local authorities to pay teachers according to Burnham scales, but the Government had no representation on the Burnham Committee. The Minister could only put into effect the recommendations of the Committee as they were reported, or decline to do so.

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2.15 For a short period following the Remuneration of Teachers Act 1963, the Minister was able to introduce new salary scales without recommendations from the Committee. Under the Remuneration of Teachers Act 1965, the Government was represented on the Committee. The Secretary of State had the duty to decide which local authority and teachers' bodies would be represented on the Committee, and by how many representatives. The Secretary of State also had a duty to publish a document setting out the scales and provisions resulting from the Committee's agreed recommendations, and to make an Order directing that the document be brought into effect.

2.16 The Secretary of State was also required to make arrangements for arbitration. The Act provided for the appointment of arbitrators by the Minister of Labour, which was subsequently changed in 1975 to appointment by the Advisory, Conciliation and Arbitration Service (ACAS). The Secretary of State was required to treat the recommendations of arbitrators as if they were recommendations of the Committee, unless both Houses of Parliament resolved that national economic circumstances required that they should not be put into effect.

2.17 No limitation was placed by the Act on the number of representatives whom the Secretary of State could appoint to represent him. From 1965, he appointed two people to represent him on the management panel of the Committee. However, an agreement, called the 'concordat' was made between the local authorities and Government under which no claim could be accepted or offer made if the Secretary of State objected to the total cost involved, it being understood that the Secretary of State would not determine any limit of total cost at the outset of negotiations. The concordat provided that the Secretary of State's representatives had a weighted vote of 15 on other matters. The weighted vote was not a majority (see table A below) and the Government's views ^{could} not prevail in the management panel unless it had the support of some of the local authority members.

2.18 The validity of the Government having control of the global cost of any agreement was recognised by both of the major political parties. Before the Remuneration of Teachers Act 1965 received Royal Assent the then Secretary of State for Education said in Parliament, on 20 November 1964 during the Committee stage consideration, "I doubt whether any Government in any set of circumstances

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could put itself in a position where it could hand over the power on the global sum to someone other than itself."

2.19 The details of the concordat were discussed openly in Parliament during the passage of the 1965 Act. There were indeed suggestions that the concordat should have been written into the Act. However, it was decided that it should be a voluntary agreement so that if both the Government and the local authority associations wanted to alter it at a subsequent date they could do so without new legislation. In 1985, a majority of local authority representatives decided to end the concordat without the Government's agreement.

Local Authorities

2.20 Until 1965, local authority representatives formed the whole of the management side. In 1965, the local authority representatives were joined on the management panel by the representatives of the Secretary of State. The bodies represented from 1919 on both the primary and secondary Committees were the County Councils Association (which became the Association of County Councils following local Government reorganisation in 1974), the Association of Municipal Corporations and the London County Council -from 1965 the Inner London Education Authority -(both subsumed in the Association of Metropolitan Authorities in 1974) and the Association of Education Committees. In 1944, when the Committees were combined, the Federation of Education Committees (Wales and Monmouthshire) (later the Welsh Joint Education Committee) also gained representation. From 1974, the Association of Education Committees ceased to be in membership of the management panel, and the Inner London Education Authority did not continue to have separate representation. These changes followed from the reorganisation of local Government referred to above.

2.21 Table A shows the distribution of seats and votes on the management panel from 1944 to 1985. The names shown are those used in the 1980s. Since 1974, the relative voting strengths of the local authority bodies represented has been determined by reference to the population covered by the constituent authorities: there has been no change in the membership figures since then.

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TABLE A: REPRESENTATION ON MANAGEMENT PANEL OF BURNHAM PRIMARY AND SECONDARY COMMITTEE, 1944 TO 1985

| | 1944 | 1965 | 1974 |
|---|------|--------|--------|
| Association of County Councils | 9 | 9 | 13 |
| Association of Metropolitan Authorities | 6 | 6 | 10 |
| Association of Education Committees | 6 | 6 | - |
| Inner London Education Authority | 3 | 3 | - |
| Welsh Joint Education Committee | 2 | 2 | 2 |
| Department of Education and Science(1) | - | 2(15) | 2(15) |
| TOTAL(2) | 26 | 28(41) | 27(40) |

Notes: 1. Figures in brackets show DES weighted vote under the concordat
 2. Figures in brackets show total of votes available under the concordat

2.22 Over time, differences of view between the ACC and AMA became less important than the political make-up of the management panel. In 1985, following the local Government elections, a change in the political balance of the local authority representatives was followed by the unilateral ending of the concordat.

Teachers

2.23 The make-up of the teachers' panel on the Committee changed more over the years. In 1919, the National Union of Teachers were the sole representatives of the teachers on the primary committee, while on the secondary committee representation was divided between the NUT which held 5 seats and the four secondary unions, known as the 'Joint Four', which held 20 seats between them. The Joint Four was eventually superceded by the Secondary Heads Association and the Assistant Masters and Mistresses Association.

2.24 In 1944, when the primary and secondary committees were combined, the NUT were given 16 representatives, a majority of the teachers' panel. The Association of Teachers in Technical Institutions (later NATFHE) had four representatives. The Joint Four were given 6 representatives and ^{thus} lost much

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of the influence on secondary teachers' pay which they had held when the committees were separate.

2.25 The following table shows the distribution of seats on the teachers' panel from 1944 to 1985. The names shown are those used in the 1980's. The years shown are the only years in which changes were made to the composition of the panel.

TABLE B: REPRESENTATION ON TEACHERS' PANEL OF BURNHAM PRIMARY AND SECONDARY COMMITTEE, 1944 to 1985.

| | 1944 | 1962 | 1963 | 1980 | 1981 | 1985 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| National Union of Teachers | 16 | 16 | 16 | 16 | 16 | 13 |
| Secondary Heads Association | 2 | 2 | 2 | 1 | 1 | 1 |
| Assistant Masters and Mistresses Association | 4 | 4 | 4 | 4 | 4 | 4 |
| National Association of Teachers in Further and Higher Education | 4 | 4 | 2 | 1 | 1 | - |
| National Association of Head Teachers | - | 1 | 1 | 2 | 2 | 2 |
| National Association of Schoolmasters/Union of Women Teachers | - | 2 | 3 | 6 | 7 | 7 |
| Professional Association of Teachers | - | - | - | - | 1 | 1 |
| TOTAL | 26 | 29 | 28 | 30 | 32 | 28 |

2.26 Under the 1944 Act, the membership of the Committee was subject to the approval of the Minister. The National Association of Schoolmasters had been campaigning since the 1920's for representation but this was not given in 1944. However, their membership continued to grow and in 1962 they gained 2 seats on the teachers' panel. At the same time, the National Association of Head Teachers, another growing organisation, gained one seat.

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2.27 Almost immediately, the NAS challenged the voluntary agreement later written into the Committee's "Rules of Procedure" that the two panels of Burnham each spoke with a single voice, claiming that the views of minorities were not heard. In 1963, the NAS gained a further seat on the panel.

2.28 The 1965 Act required the Secretary of State to determine the bodies represented on the Committee and the number of representatives which they should have, and enabled him to vary the membership from time to time. For a number of years no changes were made but more recently the make-up of the teachers' panel the Committee has been significantly changed (see Table B).

2.29 In reviewing the make-up of the teachers' panel, the major considerations have been the number of members which the organisations have whose pay is covered by the Burnham primary and secondary arrangements, and the representation of distinct interests, such as head teachers. Reviews which led to the decisions summarised below were all based on detailed examination of membership numbers.

2.30 Following a review completed in 1980 the NAHT gained one additional member and the NAS/UWT an additional three. At the same time NATFHE lost one of its two seats.

2.31 In 1981, the Secretary of State made two further changes. The NAS had become the National Association of Schoolmasters/Union of Women Teachers in 1978 and now gained a seventh seat, and the Professional Association of Teachers was given one seat.

2.32 Following this change, the NUT had exactly half the seats on the panel rather than an overall majority. In 1985, a further review was carried out and two more changes were made to the panel. Firstly, NATFHE lost its remaining seat on the grounds that its membership did not include teachers whose salaries were negotiated in the Committee. Secondly the NUT was found to have relatively fewer members among teachers and its seats were reduced to thirteen of the new total panel of 28.

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CHAPTER 3: PAY OUTCOMES SINCE 1974

3.1 Table C below shows briefly the pay outcomes from 1974 to 1986. The following paragraphs give more detail of pay negotiations over the years.

TABLE C: OUTCOME OF PAY NEGOTIATIONS, 1974 to 1986

| DATE OF SETTLEMENT | INCREASE % | TYPE OF SETTLEMENT |
|--------------------|--------------|---------------------------------|
| 1 April 1974 | 8.00 | Negotiated settlement — |
| 1 May 1974 | 27.00 | Houghton award |
| 1 April 1975 | 22.30 | Arbitration award |
| 1 April 1976 | 8.30 | Arranged under pay policy |
| 1 April 1977 | 3.80 | Arranged under pay policy |
| 1 April 1978 | 9.90 | Arranged under pay policy |
| 1 April 1979 | 9.30 | Referred to Clegg Commission |
| 1 January 1980 | 8.95 | First half of 'Clegg' award |
| 1 April 1980 | 12.00 | Arbitration award |
| 1 September 1980 | 8.95 | Second half of 'Clegg' award |
| | 2.50 to 4.00 | Arbitration award |
| 1 April 1981 | 7.50 | Negotiated settlement — |
| 1 April 1982 | 6.00 | Arbitration award |
| 1 April 1983 | 4.98 | Negotiated settlement — |
| 1 April 1984 | 5.10 | Arbitration award |
| 1 April 1985 | 6.90 | ACAS intervention |
| 31 March 1986 | 1.60 | ACAS intervention |
| 1 April 1986 | 5.70 | Negotiated interim settlement — |

So, 4 negotiated settlements out of 17/18.

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3.2 In 1974, a settlement giving an average increase of 8 per cent was negotiated within the Government incomes policy. Later that year the Houghton Committee was appointed and a retrospective increase worth 27 per cent was awarded from 24 May that year. The Houghton award included changes to the pay structure, which restored differentials for heads and deputies, merged the then Scales 2 and 3, rationalised incremental steps, and provided for a greater number of promoted posts in primary and middle schools.

3.3 In 1975 no agreement could be reached, and an increase of 22.3 per cent was awarded under arbitration. From 1976 to 1978, teachers' pay increases were governed by the Government's pay policies. In 1978, industrial action was threatened, but not widely taken.

3.4 In 1979 some of the teacher unions took industrial action which they described as withdrawing goodwill and a 9.3 per cent increase was accepted on condition that pay would be referred to the Standing Commission on Pay Comparability. Against the wishes of the teacher unions, the Government invited the Commission, which was chaired by Professor Hugh Clegg, to undertake a study of teachers' pay in the light of their terms and conditions of service. In 1980, teachers received their 'Clegg' award and adjustments agreed by arbitration to account for the fact that the Commission's award was calculated on April 1979 salaries.

3.5 In 1981, there was a negotiated 7.5% settlement. In 1982, the teachers panel rejected an offer of 3.4 per cent and again some of the unions withdrew goodwill until the settlement was referred to arbitration. A 6 per cent increase was awarded.

3.6 In 1983, there was a negotiated 4.98 per cent settlement. It was also agreed to set up a committee which was called the Joint Salary Structure Working Party which would examine (but not negotiate about) a full range of data relevant to teachers' salary negotiations.

3.7 In 1984, negotiations failed to yield a settlement. Some teachers again withdrew goodwill. The employers suggested that negotiations should be linked to discussion in the Joint Salary Structure Working Party and that a new

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structure and improved promotion could be agreed in return for an obligation for teachers to spend specific amounts of time preparing and marking work, and to undertake various non-teaching activities. This was unacceptable to the teachers' panel and the negotiations were again referred to arbitration. The arbitrators were asked only to recommend on a pay increase and not on teachers' salary structure or responsibilities. An award of 5.1 per cent, only 0.6 per cent higher than the employers' last offer, was made.

3.8 In October 1984 the teachers' panel submitted their claim for 1985. It called for a minimum increase of £1,200, estimated to add 12 or 13 per cent to the pay bill, and a new simplified main scale of up to £15,250 plus responsibility allowances which would provide up to £2,400 on top of the basic scale. The NUT and NAS/UWT made it clear that they would be ready to take industrial action if satisfactory progress was not made on the claim.

3.9 In November, the employers responded in the Joint Salary Structure Working Party with a proposal including a new basic salary scale rising to £11,800, contracts stipulating a maximum working year and obligations on teachers to undertake lunchtime supervision and to provide cover for absent colleagues, and to participate in an appraisal system. Discussions broke down when the NUT walked out in December 1984.

3.10 A further meeting of Burnham was arranged for 11 February 1985. On 6 February the NUT withdrew goodwill and cover for absence. The teachers' panel proposed that pay and conditions be discussed in separate forums. This was rejected by the employers. Following a ballot, the NUT began 3-day strikes on 26 February. The NAS/UWT called a half-day strike on the same day, withdrew goodwill, and began selective strike action from 4 March.

3.11 On 20 February the management panel proposed arbitration on a 4 per cent pay offer. On 28 February both panels accepted an invitation from ACAS to informal talks. This initiative was overtaken when the management panel decided to seek informal discussions about a further meeting of Burnham. The teachers agreed to a Burnham meeting on the understanding that only pay should be discussed.

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3.12 The Government said in May that no additional money was available that year but that extra money would be available in 1986 if an agreement in principle could be reached by October 1985 on progress towards the Government's objectives. The Government envisaged an agreement requiring employers to promote more teachers to the higher salary scales in the light of the quality of teachers' work and the demand for their skills and qualifications elsewhere. The Government also said that it would be helpful if there were a generally accepted view about what should be regarded as the extent of teachers' contractual responsibilities and that additional resources for midday supervision costs could also be made available for 1986. The employers offered 5% and arbitration but the unions rejected both.

3.13 Following the local government elections of May 1985, the political balance of the local authority representatives changed, and the 'concordat' was unilaterally ended by the local authority associations. In July the management panel made an offer of 5 per cent backdated to April plus an additional 1 per cent in November and the merging of the two lowest scales. The offer was conditional on acceptance by the unions of future discussions on a new salary structure including the merging of Scales 1 and 2 and reformed conditions of service. This was rejected, and the NUT warned that strikes would continue in the Autumn term.

3.14 In July, the management panel again improved their 1985 offer to include an additional increment for all teachers on top of their scale at the end of March 1986. This was also rejected and the unions resumed strike action. In August the Secretary of State announced that the additional money which was conditionally made available amounted to £1,250 million, spread over the 4 years from April 1986. He also repeated that the money was available only in return for acceptable progress towards the Government's objectives, namely a clear definition of the range of teachers' duties linked to their contracts of employment; and a pay structure providing substantially more promotion opportunities for the better teachers to higher scales than were then available, combined with promotion arrangements and differentials designed to recruit, retain and motivate teachers of the right quality across the whole range of school responsibilities.

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3.15 In September following this announcement, the management panel presented further proposals which, as well as the pay offer detailed in paragraphs 3.13 and 3.14 above included the introduction of a scheme to pay teachers or others to undertake midday supervision, and a revised career structure. This included a 2 year entry grade, a teacher grade with a maximum salary of £10,509, and 2 promoted posts of senior teacher and principal teacher with maxima of £12,087 and £14,658 respectively. Each grade was linked to specific duties which teachers in that grade would be expected to undertake. In addition, there were to be additional allowances available for senior and principal teachers for specific management duties.

3.16 In October the management panel made a revised offer of 6.9% without prejudice to future discussions on conditions of service and a new structure. The offer of 6.9% was rejected by the teachers' panel because it did not include a commitment to restore Houghton levels of pay. The offer was withdrawn.

3.17 In November the membership of the teachers' panel was revised, and the NUT lost its majority. On 5 December the teachers panel decided to return to negotiations.

3.18 The management panel reinstated their 6.9% offer, and the teachers' panel entered a claim for 9.9%. Once again ACAS invited the two sides to talks and on 24 January 1986, a provisional agreement was reached including an undertaking to take immediate steps to end industrial action and return to normal duties, and the appointment of an independent panel by ACAS to supervise talks about restructuring and to report in 6 months. The NUT withdrew from the ACAS talks because it did not wish pay and conditions to be considered together. It balloted its members on further industrial action.

3.19 Discussions with the independent panel began in March 1986. The NUT was initially involved, but the employers requested that they be excluded from the talks in April because of continued industrial action. The ACAS panel agreed. The other unions and employers agreed to set up four working groups to consider pay and pay structures, duties and working time, appraisal and negotiating machinery. Soon afterwards, the NUT tried to negotiate a return to the discussions in return for an end to disruption provided that teachers were

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given an interim pay award. On 9 May, an interim settlement was reached in Burnham worth 5.7% on average earnings. The NUT were readmitted to the four working groups after giving an assurance that their disruption would be ended.

3.20 Reports from the working groups were discussed at ACAS on 9 July. Agreement had been reached in principle on appraisal, but progress on the other issues was slow. The employers brought new proposals forward in July and a partial agreement, which was known as "the heads of agreement", was reached at the end of July in Coventry with all the unions except NAS/UWT. However, a range of issues remained to be resolved.

3.21 In October 1986, the report of the Main Inquiry into Scottish teachers' pay was published recommending pay increases of 16.4%. It proposed a salary structure with maxima of £12,500 for primary teachers and £12,900 for secondary teachers on the basic scale, greater differentials for promoted staff than the Coventry "heads of agreement", and a clear definition of duties.

3.22 At the end of October the Government accepted the Main Inquiry recommendations, subject to staging of the pay increase. The Secretary of State for Education and Science announced that the Coventry heads of agreement were not acceptable to the Government because the salary structure compressed differentials, cut back on promotion opportunities and failed to provide sufficient flexibility for management, and because of lack of progress on defining conditions of service. The Government therefore put forward its own proposals based on the Main recommendations. These proposals included a basic scale of up to £12,700 for primary and secondary teachers and five allowances for promoted teachers. They were ^{also} linked to a new definition of teachers' duties based on those drafted in the ACAS working group. The Government offered to make provision for additional expenditure of £118 million in 1986-87 and £490 million in 1987-88 to finance its own proposals, or a Burnham agreement on pay based on the relevant Main recommendations, within the 16.4 per cent cost envelope of the Main Report, for implementation in two equal stages on 1 January 1986 and 1 October 1987 respectively, with a satisfactory parallel agreement on conditions of service being concluded in CLEA/ST, within the same cost envelope.

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3.23 Neither the local authorities nor the unions were prepared to accept the *Government's* proposals when they met in November in Nottingham. After lengthy negotiations, revised proposals emerged on 15 November which were conditional on the Government providing still more money. These proposals included a basic scale of up to £15,058 plus two responsibility allowances above the main scale of £799 and £2077 respectively as well as provisions on cover, class size and future negotiating machinery. The NAHT and NAS/UWT did not sign them.

3.24 The Government did not accept the Nottingham proposals because they did not sufficiently reward responsibility and experience, because they cost too much overall, and because the proposed new negotiating arrangements were not an acceptable replacement for Burnham. In particular, the Secretary of State was concerned that a new structure should recruit, retain and motivate sufficient teachers of the quality needed in the schools.

3.25 The Secretary of State introduced a Bill in Parliament at the end of November to allow him to determine teachers' pay and conditions for 1987, to abolish the Burnham Committee and to set up an Interim Advisory Committee to advise him on further settlements up to March 1990. He asked the unions and local authorities to reconsider their proposals. However, they only considered minor modifications and in the end made no changes. Two of the unions which had signed the provisional proposals in Nottingham did not continue to ^{endorse them} after consulting their members.

3.26 The Bill was enacted on 2 March 1987. The Government announced revised proposals on pay which included an increase in the maximum of the main scale to £13,300. On the same day the Secretary of State published a draft Order for consultation to put into effect the first part of the pay award and to introduce a clear definition of the conditions of employment for teachers. The conditions in the Order are similar to those which emerged from the ACAS led negotiations.

3.27 The main difference between the Government's proposals on pay and the proposals developed under the auspices of ACAS is that whereas the ACAS proposals provided higher salaries for teachers on the basic scale, they restricted promotion opportunities by providing only two levels of promoted posts with allowances of £799 and £2077 above the basic scale.

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3.28 The Government's proposals included five allowances above the basic scale ranging from £500 to £4,200 to be awarded in recognition of one or more - in any combination - of the following factors; responsibilities beyond those common to the majority of teachers; outstanding classroom teaching; shortage skills; or recruitment to posts difficult to fill and allowed for more promoted posts than the ACAS proposals as shown by table D below.

TABLE D: NUMBERS PROMOTED UNDER ACAS PROPOSALS (NOVEMBER 1986) AND GOVERNMENT PROPOSALS (EXCLUDING HEADS AND DEPUTIES)

| | ACAS PROPOSALS | EXISTING SCALE 3 AND ABOVE | GOVERNMENT PROPOSALS Oct 1987 | GOVERNMENT PROPOSALS Sept 1990 |
|---------------------------------|-------------------|-------------------------------|-------------------------------------|--------------------------------------|
| Promoted Teachers | 80,000 | 105,000 | 129,000 | 165,000 |
| Percentage of Teaching Force | 20% | 26% | 33% | 41% |

3.29 The Government published a second draft Order on 26 June which would bring into effect provisions completing the introduction of the new pay structure and providing for the second stage of the pay award.

Abolition of Burnham

3.30 Dissatisfaction with the Burnham arrangements is not new. As early as 1968, just three years after the Remuneration of Teachers Act was passed, the NUT called for a review of the Act, complaining both that the Government had too much power and about the arbitration arrangements. The NAHT also expressed dissatisfaction quite soon after the Act was passed and called for separate negotiating arrangements for head teachers' pay. NAS/UWT said in 1981 that they would prefer non-statutory machinery to deal with both pay and conditions.

3.31 In 1979, the local authority associations called for the repeal of the 1965 Act, complaining about the rigidity of the negotiating system, the need for a single body to discuss both pay and conditions and the Government's control over the total cost since the Government now had greater influence over total

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local authority expenditure through the Rate Support Grant mechanisms. In 1980, the Government announced that it was willing to consider reform of the arrangements so that negotiations would cover both pay and conditions, and opened consultations in 1981 on what should replace Burnham. There was a fairly widespread view then that Burnham did not work, but no consensus on what should replace it. In 1982, the Secretary of State announced that the Government had no plans for legislation to amend or repeal the 1965 Act at that time.

Negotiating Machinery on Conditions of Service

3.32 From 1944 until the reorganisation of local Government in 1974, conditions of service were negotiated in a Working Group on Teacher/Employer Relations. This made recommendations which were not binding on local education authorities. In 1974 the Council of Local Education Authorities (CLEA) decided to set up a Schools Consultative Committee to carry on the work of the earlier Working Group. This became known as CLEA/ST. The membership of this group included the local authority associations and all the 6 major unions except the PAT. The Government was not represented.

3.33 Individual local authorities in membership of CLEA are expected to honour agreements reached in CLEA/ST with respect to teachers employed in their schools. They do not cover teachers in voluntary aided schools. The agreements have since 1978 been codified in a document known as the "Burgundy Book". This document sets out agreements on

- Tenure
- Grievance and Disciplinary Procedures
- Dismissal
- Leave of Absence
- Teachers' Health
- Teachers' insurance
- Travelling allowances

It does not include any agreement on the definition of teachers' duties and working time except an agreement on mid-day supervision dating from 1968.

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CHAPTER 4: REQUIREMENTS FOR THE FUTURE

4.1 The education service is vital to the nation's future. The nation's children pass through our primary and secondary schools, and the quality of education that they will receive there will in great measure determine their future development. The quality of education is in turn largely dependent on the work done by teachers. So the nation requires that the teacher force be adequate in numbers, well qualified and well motivated.

4.2 This chapter sets out four key principles which will need to be addressed by any new machinery for determining school teachers' pay and conditions. The meeting of these principles is in the interests of the education service and of the nation as a whole.

1: Continuity of Education

4.3 Children need continuous effective education. In recent years industrial action by teachers has all too often resulted in children missing lessons. When children have been at school some teachers have sometimes refused to do the whole of their job: for example, they have refused to write any reports on the children's progress. All this can be educationally damaging.

4.4 There must be no repetition of these threats to children's education. The first principle for any new machinery is therefore that it should be designed to deliver settlements without disruption of schooling. The machinery must be designed so that it does not result in a deadlock which cannot be broken and will deliver settlements within a reasonable time of the due date.

2: Affordability

4.5 Education is a large public service which makes a substantial claim on the nation's resources. Priorities need to be decided both as between education and other public services and as between public spending as a whole and private consumption. The second principle for any new machinery is therefore that it should be designed to ensure that settlements have due regard to affordability and to the national economy.

This is how a principle is a hoped for effect of the new arrangements

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3: Manpower

4.6 The education service competes for skilled manpower with other public services and with the private sector. The third principle for any new machinery is therefore that it should be designed to provide that settlements have due regard to the need to staff the schools appropriately in competition with other employers. That means that salary scales should be compatible with the recruitment, retention and motivation of sufficient teachers of the right quality. Flexibility to provide incentives for recruiting and retaining staff in shortage subjects and posts difficult to fill is clearly important. Recruiting and retaining sufficient teachers in competition with other employers is more difficult in some parts of the country than in others: this has always been recognised through the use of London Weighting. New machinery should be capable of addressing these issues.

*Condition
of man.*

4: Management

4.7 The education service will not prove adequate to the nation's future needs unless it is well managed and effectively delivered. The fourth principle for any new machinery is therefore that it must ensure that settlements support effective management of the schools and provide for proper career-long development and incentives for teachers. One element in promoting effective management is bound to be simultaneous consideration of teachers' pay and other conditions of employment. The determination of teachers' pay must be matched by consideration of the work for which they are paid.

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CHAPTER 5: DIFFERENT INTERESTS

5.1 Because education is an important national service, many bodies and groups have a legitimate interest in its provision and effectiveness. The consideration of future machinery for determining school teachers' pay and conditions of service needs to take account of the responsibilities and concerns of these wider interests. This chapter considers the interest in the matter of various bodies and groups.

A: Parliament

5.2 Parliament approves the plans for public expenditure set out in successive Public Expenditure White Papers. It votes the money spent directly by Government, including Rate Support Grant to local authorities. It also approves the Government's plans for taxation. Through the Public Accounts Committee and the National Audit Office it examines whether money has been well spent.

5.3 School teachers' pay is a substantial element in public expenditure - now some £7,000 million a year - and accounts for about 70 per cent of local authority expenditure on schools. It is therefore of major interest to Parliament. The Teachers' Pay and Conditions Act 1987 recognised this by providing for Orders on teachers' pay and conditions to be laid before Parliament and to be subject to votes of both Houses.

5.4 Parliament also has a wider policy interest in education. The quality of education is substantially dependent on teachers and what they do, so Parliament also has a concern with teachers' duties and other conditions of employment. The provision for laying Orders before Parliament in the Teachers' Pay and Conditions Act 1987 also recognised this aspect.

B: Government

5.5 The Secretary of State is charged under statute - section 1 of the Education Act 1944 - with promoting the education of the people of England and Wales and the progressive development of institutions devoted to that purpose and securing the effective execution by local authorities, under his control and

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direction, of the national policy for providing a varied and comprehensive educational service in every area. He is therefore bound to be concerned with the quality of education and with the quality, deployment and morale of the teacher force as affected by teachers' pay and conditions of service.

5.6 The Secretary of State gives directions as to the number of students to be admitted to courses of initial teacher training and is responsible for securing the availability of sufficient facilities for the training of teachers. The supply of people coming forward to teacher training is inevitably affected by the levels of teachers' pay and by how the teacher's job is perceived. Demand is also affected by pay and conditions of employment. If pay levels do not retain and motivate teachers, wastage rates will increase and more new teachers will be needed to make up for those who have left. If conditions of employment place unjustified restrictions on class sizes or on class contact hours, more teachers may well be needed. The Secretary of State thus has a very strong interest in decisions on both pay and conditions of service stemming from his responsibilities for teacher supply.

5.7 The Government has the responsibility for planning public expenditure and laying plans before Parliament. Teachers' pay is a very substantial part of local authority expenditure which must be considered when examining both the aggregate total and the appropriate division between services. The Government is therefore bound to be concerned with the total size of the teachers' pay bill. The Government's responsibility for teachers is different from its responsibilities for other local authority employees because of the duties outlined above placed on the Secretary of State by statute for the education service generally and for the supply and training of teachers. The nature of this responsibility is such that the Government's interest has to extend to the salary structure as well as the total pay bill.

C: Local Authorities

5.8 Local education authorities (LEAs) are responsible for securing the provision of education within their area. In England and Wales county councils, metropolitan districts, outer London boroughs and the Inner London Education Authority have this function. LEAs employ about 80 per cent of the teachers in

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maintained schools and pay the salaries of the remaining 20 per cent in voluntary aided schools. LEAs are also responsible for setting a complement of teacher numbers in all maintained schools. Local authorities raise funds from those who live within their areas and commercial undertakings through rates or by precepting on other authorities. LEAs are therefore involved as employers, as bodies charged with providing education and as raisers of money from ratepayers. In the last capacity they must be concerned with the amount which must be raised by rates and precepts towards teachers' salaries and with value for money.

D: Churches and other Religious Bodies

5.9 Almost a third of all schools are voluntary schools. The great majority of these are associated with a religious denomination. In voluntary controlled and special agreement schools the teachers are employed by LEAs but in voluntary aided schools teachers are employed by the governors. Most voluntary aided schools are Church of England or Roman Catholic. But the Methodist Church, the Free Churches and Jewish organisations also have various interests in voluntary schools.

5.10 The Churches provide guidance to schools of their denomination on matters of employment. They have a particular concern with teachers engaged in religious education, including "reserved teachers" in voluntary controlled schools, who are appointed with the agreement of the governors and may be dismissed at the requirement of the governors if they fail to perform their job suitably. But they are also concerned with the provision by teachers generally of an adequate education within the framework of the particular denomination.

E: School Governors

5.11 School governors employ the teachers in voluntary aided schools - some 20 per cent of all teachers in maintained schools. In all schools, governors are concerned with the standard of education provided. They wish to see education provided efficiently and effectively. This must lead them to consideration of the work done by teachers and hence to their conditions of employment. They will also be concerned that the school has adequate and suitable teaching staff.

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F: Head Teachers

5.12 Head teachers are the managers of the other teachers in their schools. They want to see pay levels that will recruit, retain and motivate teachers, and a pay structure that will enable them to reward and promote teachers who do well. They want to see conditions of service that enable them to direct teachers to carry out their professional duties in such a way as to make the school a success. So they have a vital interest in the days and hours to be worked by teachers and the duties which they can be asked to carry out.

5.13 At the same time, head teachers are employees and are concerned with their own pay and conditions of service. For these purposes they may choose to be represented by a trade union. So head teachers have a dual role as managers and employees, and in both capacities they have an interest in teachers' pay and conditions.

5.14 Similar considerations apply to deputy head teachers who assist the head teacher in the management of the school as well as fulfilling their role as employees. In recent years the two associations concerned specifically with head teachers have admitted deputy heads to membership.

G: Teachers

5.15 Teachers rightly have a very important interest in their own pay. They have a concern for the profession's pay structure, which will affect both their career prospects and the effectiveness of the managerial structure in a school. They are also concerned about the future needs of children and the effect of pay levels and the pay structure on the recruitment of new teachers of the right quality.

5.16 Teachers also rightly have a very important interest in the duties which they may be required to perform, their working time and other conditions of employment. Teachers have demonstrated over many years a commitment to quality of education and the highest standards of teaching. For the majority of teachers teaching has been a vocation into which they have put considerable time, energy and commitment.

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5.17 Teacher Unions have had an important role as many teachers are in membership of unions. Teachers expect these representing them to make a forceful and responsible contribution to both professional and organisational changes as well as in matters concerning pay and conditions.

H: Parents

5.18 Parents' concern is primarily on their children's behalf. They wish to ensure that their children receive a good education which will prepare them for further educational progression and for adult life. They will therefore expect the teaching force to be well-motivated and effective.

5.19 Parents are particularly concerned that their children's education should not be interrupted or disrupted through industrial action. As taxpayers and ratepayers they also have an interest in the funding of education. They are therefore concerned about both the effectiveness and efficiency of schools.

5.20 Parents have always had a crucial role in the education of their children and the 1944 Act placed clear statutory duties on parents. In recent years their role has become increasingly recognised in other ways, such as through the appointment of parents to governing bodies.

I: The General Taxpayer and Ratepayer

5.21 The general taxpayer and ratepayer provide the resources for all public services. They have a right to see that money is well spent with due regard to economy. As previously noted teachers' pay accounts for a very substantial sum which must be raised through rates and taxes.

J: Employers

5.22 Manufacturing and service industries and the public services require that school leavers should be well-educated. It is therefore of concern to them that children should receive effective and continuous education from well-motivated teachers of good quality.

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CHAPTER 6: THE CHANGING CONTEXT

6.1 Future machinery for determining school teachers' pay and conditions needs to be seen in the light of other Government proposals affecting schools and their financing. A brief account of these proposals is given in this Chapter.

Financial Devolution to Schools

6.2 The Government propose to introduce in a Bill this Autumn measures that will require local education authorities to delegate responsibility for their budgets to all secondary schools and to primary schools with more than 200 pupils. LEAs would set an overall budget for each school and the school governors would decide spending priorities within this, drawing upon the advice of the head teacher. LEAs would continue to employ the staff of the school except at voluntary aided schools where the governors already employ the staff but governors will have more powers in relation to the appointment of and dismissal of staff.

6.3 The delegation of budgetary responsibility will give governors, staff and parents a greater interest in all items of expenditure. The teachers' pay bill is by far the largest such item. Financial delegation would not be inconsistent with national pay determination arrangements but governors may believe they should have some influence in the matter. Their *concerns* might be met through the representation of governors and head teachers in the negotiating process at national or LEA level. Alternatively this might point to the determination of pay and conditions at school level. Possible approaches to take account of this are discussed in the next Chapter.

Grant-Maintained Schools

6.4 The Government propose also to legislate in the Autumn to allow schools to opt out of LEA control in favour of direct funding from the Government. An application for grant maintained status would have to come from a majority of governors at a school, backed by a majority of the parents voting in a secret ballot. If the application were successful, the school would receive Government grant at a level comparable to that which the school would have received had it remained with its LEA.

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6.5 It is not intended to make it a condition of grant that teachers should be paid at the same rate as those in LEA schools. However, the governors of the grant-maintained schools would have an interest in the pay rates and conditions of service on offer to teachers in the LEA sector. Their interest might need to be reflected in new machinery for determining teachers' pay and conditions. How this might be done is discussed in the next Chapter.

Local Government Finance

6.6 The Government plans major changes in the way in which local authorities raise the money to pay for education and other services. Domestic rates will be abolished. They will be replaced by a community charge, payable by all adults as a flat-rate amount in each area. Non-domestic rates will remain but there will be a uniform rate poundage for businesses in England and Wales. Government grants to local authorities will be simplified.

6.7 The aim of these proposed changes is to make local authorities more accountable to the people in their areas. The cost of paying for local services will be shared out more fairly than it is at present. A £1 per adult rise in local spending will mean a £1 increase in the community charge. Every local elector will have a clear incentive to consider the costs, as well as the benefits, of extra local spending.

6.8 These changes may well have implications for the determination of teachers' pay. On the one hand, any substantial increase in teachers' pay negotiated by local authorities and not supported by Government grant would mean a perceptible increase in the community charge. That might make local authorities more reluctant to negotiate such an increase and so reduce the force of the argument that the Government needs to play a major role in decisions on the total to be spent on teachers' pay.

6.9 On the other hand, if pay determination was conducted at national level a settlement would be imposed on local authorities, making them increase the community charge when they are not directly responsible for the increase in expenditure. The case for devolving negotiations to LEA level would therefore be strengthened. Possible machinery to operate both at national and LEA level is discussed in the next Chapter.

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Both
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will be seen
as pointing
to
devolving
negotiations
to LEAs.

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CHAPTER 7: POSSIBILITIES FOR NEW MACHINERY

7.1 Both before and after the abolition of the Burnham Committee there have been various suggestions for new machinery for negotiating school teachers' pay and conditions of service. The local authority associations have suggested a National Joint Council, which would be a negotiating committee similar to those which operate for other groups of local authority employees. This suggestion has received support from some of the teacher unions. But the NAHT have said that there should be separate machinery to deal with heads' and deputies' salaries and conditions. The PAT have proposed the introduction of pendulum arbitration, under which an arbitrator must choose one of the competing positions rather than decide on a compromise between them. The PAT have also argued the merits of a no strike agreement.

7.2 The National Confederation of Parent Teacher Associations (NCPTA) have suggested that an independent review body should be established for school teachers. In their view the Burnham Committee had shown itself incapable of producing agreements on pay which were accepted by all teachers. They welcomed the abolition of the Burnham Committee because any group of teachers which disagreed could cause unacceptable disruption in schools and because no one union regarded itself as morally bound by agreements to which the majority had set their hands. The idea of a review body has also been canvassed quite widely in the Press.

7.3 One element common to all these suggestions is the handling of pay and other conditions of service together. This seems now generally accepted as a principle and the rest of this chapter assumes that any new machinery would deal with both pay and other conditions of service.

7.4 The Government are not convinced that any machinery so far proposed would meet adequately the principles set out in Chapter 4 and reflect properly the various interests discussed in Chapter 5. This chapter seeks to discuss the whole range of possibilities for components of new machinery.

7.5 Pay determination arrangements since 1965 have included negotiations and an independent element. Sometimes the independent element has just been the

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'good offices' of the Chairman of the Burnham Committee. At other times there has been an arbitration panel and occasionally an independent committee. This chapter takes these 2 strands in turn in identifying the key questions relevant to decisions on long term machinery.

7.6 The following issues relating to negotiations are covered in turn:

- A. the level at which negotiations might take place;
- B. the possible scope of negotiations, including the possibility of separate recognition of distinctive groups among teachers;
- C. the status of negotiations, including whether they are voluntary or statutory;
- D. the participants in negotiations and how they might be represented
- E. the procedures of negotiation

7.7 The chapter then considers the following ways in which an independent element could have a key role in the pay determination arrangements:

- F. arbitration;
- G. an independent chairman and secretariat;
- H. an independent advisory body;
- I. a pay formula;
- J. no strike arrangements.

7.8 A series of questions are set out at the end of each section of the chapter. The government invites responses to these questions.

NEGOTIATION

A: Level of Negotiations

7.9 One important question in relation to negotiations is the level at which they are to be carried out. Negotiations on teachers' pay have long been conducted at national level. But negotiations on conditions of service have often been conducted at LEA level: and there often is consultation with unions about working practices in individual schools.

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7.10 Under the Government's proposals outlined in Chapter 4 all secondary schools and many primary schools would be responsible for their own budgets. Some schools would opt out of local authority control altogether. It is arguable that schools which are responsible for their own budgets should also have the responsibility for setting teachers' pay and conditions of service at school level. Needs will vary from school to school. Teachers will be more, or less, difficult to recruit and retain. One possibility is therefore that negotiations should be devolved to school level.

7.11 A second possibility is that negotiations should be conducted at LEA level. LEAs will continue to be responsible for employing teachers in financially devolved schools and for setting the budgets of those schools. The budgets of grant-maintained schools would also be set by reference to the budgets of local LEA schools. LEA level negotiations would enable local circumstances to be reflected. LEAs face very different problems of recruitment and retention of teachers. National negotiations are unlikely to fully reflect those differences.

7.12 A third possibility is a single negotiating forum for England and Wales, which would produce standardised rates of pay and the main framework for conditions of employment. It would be possible for such a forum to reflect local needs to some extent, as has been done for many years through the payment of London Allowance to teachers and through flexibility in the number permitted to be paid on higher scales or to be in receipt of incentive allowances.

7.13 If national arrangements were set up, it would be possible for the outcome of negotiations to be set only as a minimum, with individual local authorities or schools able to negotiate further settlements. This would enable local circumstances to be reflected more accurately than they could be in a national forum. Such an approach could be expensive as it might lead to 'leapfrogging'. But it might also lead to a better match between supply and demand.

At what level should negotiations take place: school; LEA; or national?

If national machinery is set up, should individual schools or LEAs be able to conduct separate negotiations to take account of local needs?

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Would freedom for negotiation at individual school or LEA level lead to a higher or lower overall cost?

B: Scope of Negotiations

7.14 At whatever level negotiations are conducted, a further question is whether they should cover the whole of the school teacher profession in a single negotiation. It is arguable that the negotiations for the senior managers - the heads and deputies - should be conducted separately. There are, for example, separate negotiations for local authority chief officers and for police officers at or above the rank of superintendent. Neither in pay nor conditions of service do the senior managers have entirely the same interests as those who work as teachers under their direction. On the other hand, senior managerial groups which have separate negotiating arrangements tend to account for a relatively small proportion of the work force: whereas heads and deputies are some 14 per cent of the teaching profession and over 20 per cent in primary schools.

7.15 Because of the important managerial role of heads and deputies there is a case for them to be represented on the management side of negotiations for teachers (other than heads or deputy heads). If such a principle were accepted separate machinery for determining the salaries of heads and deputies would certainly be needed since heads' and deputies' representatives could hardly sit on both the management and employees' side of the same negotiations.

7.16 If negotiations are conducted above school level, a further question is whether the primary and secondary sectors should be treated together or separately. They have been treated together since 1944. But the nature of the two sectors is different. Most primary schools are small. They have little need for hierarchies of management and have traditionally not had large pay differentials within them. Most secondary schools are large. They are organised in departments and year groups and many teachers other than the head and deputies carry substantial responsibilities. It can be argued that the interests of primary and secondary teachers in relation to pay structure are different. The same applies to many conditions of service - for example, cover for absent colleagues which is usually provided to a substantial extent from

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within the school in the secondary sector, but much less often in the primary sector. There is therefore a clear case for separate machinery for the two sectors. But if separate machinery were established, it would be necessary to consider carefully the position of teachers in special schools and middle schools.

7.17 If separate machinery were established for heads and deputies the same sectoral question would arise. Almost three-quarters of heads and deputies work in primary schools: but the interests of secondary heads and deputies are distinct because they are senior managers of, in most cases, much larger establishments. They have larger and more diverse numbers of staff to manage, and this extra responsibility is recognised through higher pay. Therefore, within any separate arrangements for heads and deputies there is a clear case for separate arrangements heads and deputies in secondary schools compared to those in primary schools. It is relevant that all 6 teacher unions in England have some members who are deputies or heads although the NAHT and SHA together represent the majority of heads and deputies.

7.18 If separate machinery for any group of teachers were thought desirable, there could be various degrees of separateness. It would be possible to have separate sub-committees or working parties which reported to one umbrella organisation and whose reports had to be endorsed by that organisation. It would be possible to provide that the proposals of a sub-committee were accepted unless say 20% of the main body rejected it: this would give the main body an override but one which only applied to limited circumstances. Alternatively there could be entirely separate committees with their own secretariats. But in that case there could be an element of common membership on the management side, the teachers' side, or both.

Should pay and/or the conditions of service of heads and deputies be negotiated separately?

Should heads and deputies be represented on the management side of negotiations for other teachers' pay and conditions?

Should the primary and secondary sectors be treated separately in negotiations?

Should heads and deputies in either sector have separate negotiating arrangements?

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If separate arrangements are set up for heads and deputies, should they be conducted under a single umbrella body or completely separately?

If there are separate arrangements for heads and deputies under a single umbrella body should that body be only able to overturn the proposals of the sub-committee in limited circumstances.

C: Status of Negotiations

7.19 Negotiations could be entirely voluntary or they could have a framework in statute. The work of Burnham was within a statutory framework but that of CLEA/ST is not. A statutory framework could regulate the form of the committee or committees; and it might provide that the outcome of the negotiations was binding on all employers. Pay alone might be made binding or such conditions of employment as were negotiated might also be made binding: the latter would be more consistent with the simultaneous negotiation of pay and other conditions.

7.20 If there were no statutory framework, agreements would never be unconditionally binding on all employers of teachers. But that is the position for most groups of local authority employees; and it has for example enabled London authorities to pay higher rates of London allowance for those groups when they did not believe that the nationally negotiated rates were adequate to recruit and retain suitable staff.

Should machinery be voluntary or statutory?

If statutory, should the statutory framework extend to both pay and conditions?

D: Participation in Negotiations

7.21 Questions of who participates in negotiations are of crucial importance. Chapter 3 has shown that many groups have an interest in teachers' pay and conditions. This section looks first at the role of the Government; then at the composition of the management side; the composition of the teachers' side; and whether a role could be played by other interests.

I. The Role of Government

7.22 The Government's interest is in part in the costs of teachers' pay. But it also has an interest in the health and effectiveness of the education service and in the demand for and supply of teachers.

7.23 Direct representation of the Secretary of State in negotiations is probably practicable only if negotiations are at national level. In the case of LEA level or school level negotiations the Secretary of State might make known to the negotiators in advance any particular concerns that he had. This might take the shape of purely informal guidance or, if there was a statutory framework to the negotiations, the statute might provide that the parties must have regard to the comments of the Secretary of State. Such comments might be made during the course of the negotiations as well as in advance.

7.24 If the Secretary of State were directly represented in national negotiations it would have to be decided whether his representatives would be part of the management side as in Burnham, or would have a separate status. It would be possible for the Secretary of State's representatives to form a third "panel" whose agreement was needed to any outcome of the negotiations. They might bring forward for discussion Government proposals which were distinct from, or alternatives to, the proposals of the management side and the teachers' side.

7.25 If the Secretary of State's representatives formed part of the management side as in Burnham, their relative voting strength would need to be decided. One possibility would be that they should have a weighted vote which corresponded to the current percentage that Rate Support Grant forms of local authority current expenditure. This is at present about 47 per cent. But it would also be for consideration whether they should have a veto over the total cost of any offer made by management, as was the position in Burnham under the concordat.

7.26 Whether or not the Secretary of State's representatives play a direct part in negotiation, the Government's role in planning public expenditure and determining priorities within it has to be recognised. This could be done in various ways:

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a. The Government could simply announce its intentions on the overall RSG settlement so that negotiations could proceed against that background. This is what happens with most groups of local authority employees.

b. The Government could announce separately the amount of grant that it was willing to make available towards an increase in teachers' pay. The Government might further arrange that grant would be withdrawn or reduced if the increase in the teachers' pay bill exceeded a certain size and any changes in the structure of teachers' pay levels were unacceptable.

c. Because of the size and importance of the teachers' pay bill, the Government would announce separately the amount of grant that it was willing to make available towards the whole of that sum. This would require separate identification of the teachers' pay bill in local authority accounts. The grant might form part of block grant or it could be a separate specific grant.

d. The Government might set a direct constraint on the increase in teachers' pay which it believed was consistent with its plans for the economy as a whole. Negotiations would then be carried out within that limit. This approach would only be possible within a statutory framework.

e. Alternatively, the Government might take a reserve power to set aside the result of negotiation where it believed that result was incompatible with some either general or specific criteria. The power could be restricted to the use of the override when national economic circumstances so required.

f. Alternatively the reserve power in e. above could be wider, resting on the result of negotiations not being in the best interest of the economy or education. This power might be made subject to a vote in both Houses of Parliament.

Should the Secretary of State have direct representation in negotiations if national arrangements are set up?

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If negotiations are at local level, what role should the Secretary of State have?

If the Secretary of State were represented directly, should he be represented on the management panel, or as a third party to the negotiations?

If he is represented separately, should his agreement be needed to settlements, and if so, on which matters?

Should he have the right to put forward proposals of his own?

If his representatives form part of the management side, should they have a weighted vote? If so, how would it be calculated: a defined number; weighting according to RSG percentage; or a veto?

How would the Government's role in planning public expenditure be best taken into account?

II The Management Side

7.27 The appropriate composition of the management side must depend partly on the level of negotiations:

a. If negotiations were conducted at school level, management would need to include the school governors, plus perhaps the head teacher. The LEA could be represented separately or through their appointees on the governing body.

b. If negotiations were conducted at LEA level, management would be the LEA, plus probably representatives of the governors of voluntary aided schools who are themselves the employers of teachers, plus arguably representatives of the governors of schools with financial delegation, and representatives of head teachers.

c. If negotiations were conducted at national level, the management would be representatives of the LEAs, plus probably representatives of the Churches, plus arguably representatives of the governors of schools with financial delegation and of head teachers, plus possibly representatives of the Secretary of State.

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7.28 If there were no statutory framework, it would be for the management side to organise itself. If there were a statutory framework, the management side could still be left to organise itself; or the statute could lay down which interests must be represented; or the statute could empower the Secretary of State to determine the composition of the management side as in Burnham.

7.29 It would need to be decided whether all members of the management side would have full voting rights; or if some would have observer status only; or if some might have the right to vote on some issues but not others. LEA representatives should undoubtedly have full voting rights. Representatives of school governors or the Churches and of head teachers arguably do not have a financial responsibility and some may consider that they should not vote on matters of pay.

7.30 However, they do have a direct interest in the management of schools and hence in teachers' conditions of service. But changes in conditions of service can themselves have financial consequences. If pay and other conditions of service are to be negotiated simultaneously, it would perhaps be odd to have different voting rights on the two and hence potentially inconsistent outcomes. The voting procedure would also have to be decided. Outcomes might be arrived at by simple majority, or by a weighted majority; or they might require unanimity.

Who should form the management panel if negotiations are to be conducted at (a) school, (b) LEA, and (c) national level?

How should the composition of the management panel be determined?

Should there be statutory provision for political balance to be reflected among representatives?

Which bodies on the management panel at each level should have full voting rights, and which observer status?

Should different voting status be given to different groups for pay and conditions?

What should be the voting procedure: simple majority; weighted majority; or unanimous decision?

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III The Teachers' Side

7.31 At whatever level negotiations take place, the teachers' side would need to be properly representative of the teachers covered by the negotiations. This would entail different representation on different committees, if there were separate negotiations for heads and deputies, or for primary and secondary schools. It would be for decision whether all unions that have any members at all in the relevant sector should be included, or whether some sort of threshold of minimum membership might be set. Burnham had no formal threshold, but in practice very small unions were not included.

5.32 If negotiations are non-statutory, the teachers' side would determine its own composition. If they are statutory, the teachers' side could still be left to determine its own composition; or rules for determining the composition could be laid down in statute; or the Secretary of State could be made responsible for determining the composition as in Burnham.

7.33 The composition of the teachers' side could reflect the numerical strength of each union. But that would tend to make for very large committees, as in Burnham. An alternative might be to restrict the size of the committee but to have a card voting system in which each union cast votes proportionately to its strength possibly with some adjustment for the head teacher unions. Under such a system union membership would have to be reviewed from time to time.

7.34 This type of system would not overcome two problems associated with Burnham, namely the tendency for unions to conduct their negotiations with a view to improving their relative numbers, which the president of AMMA has referred to as a "recruiting tent" approach, and the point noted by NCPTA, that minority dissentient unions could cause trouble in schools.

7.35 Alternative approaches would be to provide that all unions represented on the committee must agree any settlement or that, say, 80% of the votes must be in favour of proposals for them to become the agreed conclusions of the teachers' side. Under the approach of requiring all unions to be in agreement the relative size of membership would become less important, and there would be no unions which had failed to endorse the settlement. But where there was a

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multiplicity of unions on the committee it could be very difficult to reach settlements on this basis. The unions will tend to have different policies and to represent different interest groups among teachers. Under the approach of requiring proposals to have the backing of 80% of the votes, there would be a strong pressure on the union to reach agreement: it would, however, mean that in some cases a single union and in other cases a combination of two unions could veto any agreement.

Should all unions representing teachers be represented on the teachers side, or should there be some minimum membership figure used in determining the level of representation?

If machinery is statutory, should the teachers' side be determined by itself; by rules laid down in statute; or by the Secretary of State? Should the composition represent the numerical strength of the unions? If so, should this be in terms of membership numbers on the committee, or voting strength?

What allowance should be made for the representation of heads and deputies?

Should decisions be made and settlements agreed by a simple majority or by unanimous decision or by a required minimum proportion of votes such as 80%?

IV Other Interests

7.36 Under a statutory system settlements might be made subject to a vote in Parliament. This would not mean that a debate would have to be held on every occasion but it would be possible to have one when the outcome was controversial. Under a non-statutory system Parliament's interest could not be directly reflected.

7.37 It would be difficult to reflect the interests of parents, of the general taxpayer and ratepayer, and of outside employers in a system of negotiations. They would not necessarily fit readily into the management side. It would in theory be possible to establish a further, independent panel representing these interests which would have to endorse the outcome of negotiations.

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How could Parliament's interest best be represented?

How can the interests of parents, tax and ratepayers, and outside employers best be taken into account?

E: **Procedures of Negotiation**

7.38 Committees might determine their own procedures. But if there were several committees, or if negotiation were localised, it might be useful to have common features. Questions to be addressed here might include:

- a. How are settlements to be arrived at? They would presumably require the endorsement of both management and teachers' side. Issues of voting within each side have been discussed above.
- b. How are discussions between the parties to be conducted? There could be a "one voice" convention as until recently in Burnham, or there could be open discussion in which minority viewpoints on each side were expressed. There could be arrangements for the leaders of each side, or a small group on each side, to have private discussions.
- c. How are proceedings to be reported? There could be agreed minutes; or each side could take its own minutes but with an agreed record of conclusions; or there could be a full verbatim record as in Burnham.
- d. Who is to chair the meetings? The management side might provide the Chairman; or the Chair might rotate between the sides; or there might be an independent Chairman - this possibility is discussed further below.
- e. Who is to provide the secretariat? Management might provide and pay for the secretariat; or there could be a joint secretariat with each side paying part of the cost.

How should settlements be endorsed?

How should discussions between the parties be conducted?

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How should proceedings be reported?

Who should chair the meetings?

Who should provide the secretariat?

AN INDEPENDENT ELEMENT

7.39 There are three main reasons for considering whether an independent element should play a part in any new machinery. First, the problems which have been caused in the past by the divisions on both the management and teachers' sides; second, the importance of the outcome of negotiations; and third, the wide variety of bodies which have an interest in them.

7.40 As described in Chapter 2, there is a history of problems in the negotiation of teachers' pay. On the teachers' side there are deep divisions between the various unions. This has meant that at times the unions have been concerned rather with conflicts between themselves than with the negotiation of settlements. Similarly, the employers have sometimes been split along political lines, leading to considerably more time being spent arguing amongst themselves than negotiating in the full committee. An independent element might help to overcome these problems.

7.41 As noted at the beginning of Chapter 4, teachers' pay and conditions are important elements in the recruitment, retention and motivation of the teacher force which directly affects the quality of education which children receive. An independent element might help to ensure that these issues are considered.

7.42 The various outside bodies and groups with an interest in teachers' pay and conditions are outlined in Chapter 5. An independent element may be the best way in which these interests can be represented in new machinery.

7.43 An independent element in the machinery might take several forms. It could be an addition to negotiations or it could to a greater or lesser extent replace negotiations. Some possibilities are discussed below. In considering which of these might be appropriate, the prospects of successful negotiations in

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the future must be weighed alongside the principles set out in Chapter 4. The more successful negotiating machinery is likely to be, the less will be the need for an independent element. Conversely, if negotiating machinery is less likely to be successful, there is a case for an independent element to play a large part in the process of determining teachers' pay and conditions. There has always been an independent element in the pay machinery for teachers. The following paragraphs consider the questions about the role of an independent element in future arrangements.

F: Arbitration

7.44 Provision might be made for independent arbitration if negotiation fails. Arbitration might follow from an agreement by both management and unions to go to arbitration. This was the position in Burnham after 1981. While this approach means that negotiations should have reached a complete impasse before arbitration, and therefore discourages participants from going to arbitration as an easy alternative, it also allows both management and unions to use as a weapon the refusal to go to arbitration. There may therefore be prolonged disruption before recourse to arbitration.

5.45 Alternatively, each side might be given unilateral access to arbitration when it considered that continuing negotiations would not bring a settlement. This approach can lead to an early approach to arbitration when a settlement could have been reached by negotiation. Also, it is possible for the unions to negotiate until the employers agree to increase their offer and then to go to arbitration on the expectation that this will produce a result between the employers' last offer and the unions' claim.

7.46 Another possibility is that arbitration might be triggered automatically if a settlement was not reached by a particular date, or by some fixed time after the start of negotiations. Recourse to arbitration might be decided by an independent Chairman - see paragraph 7.51.

7.47 A possible refinement of the concept of arbitration is the use of 'pendulum' arbitration. This would mean that the arbitrators would have to decide to agree to either the unions' claim or the employers' offer. Both sides

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then run the risk that if they take up unreasonable negotiating positions, they may end up worse off than under a negotiated settlement. Pendulum arbitration does not necessarily fit readily with such complex issues as pay and conditions of employment of teachers where arbitrators may prefer specific aspects of both the employers and unions proposals. This approach might, however, not avoid industrial action if teachers were dissatisfied with the outcome.

7.48 The arbitrator might be chosen jointly by the parties to the negotiation; appointed by the Secretary of State subject to the agreement of both sides; or appointed by the Advisory, Conciliation and Arbitration Service.

7.49 The outcome of arbitration might be binding on both sides, or it might not be binding, leading to the possibility of further negotiations. Within a statutory framework arbitration might be made binding by incorporating the result into an Order made by the Secretary of State, as under Burnham.

7.50 The interests of the economy as a whole might be safeguarded by giving Parliament a right to overturn the arbitrator's recommendations when it considered they could not be afforded.

Should arbitration be provided for?

Should access to arbitration be by agreement of both sides, one side, triggered automatically or subject to the decision of an independent chairman?

Should arbitration be on a 'pendulum' basis?

How should arbitrators be appointed?

Should arbitration be binding?

Should Parliament be able to overturn an arbitration award in certain circumstances?

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G: Independent Chairman and Secretariat

7.51 A negotiating committee could have a Chairman independent of the two sides. Burnham had an independent Chairman throughout its existence. An independent Chairman could play a greater or lesser role. He might simply chair meetings and informal discussions between the parties, seeking to clarify the proposals and responses of each side. Or he might be given the power to make proposals of his own for discussion by the parties in the event of deadlock. He might be given the right to declare that negotiations were deadlocked and to call in an arbitrator; and in such a case he might, with the agreement of the parties, himself act as arbitrator since he would be familiar with the issues involved.

7.52 A further question is the role of the secretariat. Should this be entirely independent or should it include nominees of both the employers and union sides. The secretariat could have a limited secretariat function or it might carry out research and gather information on such subjects as teacher numbers and wastage in different areas. This could help by giving both sides a common factual base in discussing subjects such as the recruitment and retention of teachers.

Should an independent chairman preside over negotiations?

What role should an independent chairman play?

How should the secretariat be constituted?

What role should the secretariat have?

H: Independent Advisory Body

7.53 A further possibility is an independent advisory body who could examine questions of school teachers' pay and conditions of service. This might be established under statute, or by agreement between the parties: a statutory basis might give it a securer place in the machinery. It could be appointed by the Secretary of State, or the unions and employers might nominate members.

7.54 The advisory body could be given the task of examining questions of pay and conditions when it saw fit; or it might be asked to address questions put to it by the Secretary of State or questions put to it by the Secretary of State following consultation with the teacher unions and local authority associations. Its terms of reference might cover the whole field of pay and conditions, or some aspects, particularly of conditions of service might be left for negotiation.

7.55 The independent advisory body could be required to report each year, or it might only be activated if agreement was not reached by 80% on each of the management and teachers' sides. This would mean that issues would be settled by negotiation where there was a very large measure of agreement, but where no such agreement existed there could be a very important role for an independent advisory body.

7.56 However it came to address questions and whatever the scope of its remit, the advisory body would wish to know the views on these questions of all interested parties. It would therefore ask for evidence and could be required to do so in statute. The Government, the local authorities, the churches and the teacher unions would presumably wish to submit evidence. It would also be possible for the interest of the wider community to be reflected through the submission of evidence from parents' organisations, employers' organisations, and so on.

7.57 Having considered the question and all the evidence put to it, the advisory body would make recommendations. From that point various procedures could be adopted.

a. The recommendations could be treated as binding and incorporated into a statutory order.

b. The recommendations could be made the subject of consultation by the Secretary of State with other interested parties.

c. The recommendations could be made the subject of negotiations between management and the teacher unions. The recommendations might be modified

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by agreement between the two parties or only if there was the support of 80% of the votes of both the management and teachers' sides. This latter approach would mean that negotiation could override the independent element when there was a very substantial level of agreement between the management and teachers sides.

7.58 The issue of affordability would have to be addressed. An independent advisory body might not pay sufficient regard to affordability. The body might be given an indication of the Government's views on public expenditure and on the economy as a whole. If nonetheless its recommendations were not affordable they might be modifiable by the Secretary of State or overturned by a vote in Parliament. Alternatively, limits might be set in advance on the extra expenditure which the body could recommend, whether directly in the form of pay increases or indirectly through changes in conditions of employment.

Would an independent advisory body be an appropriate way of introducing an independent element?

In what circumstances would an independent advisory body be given a remit: would there be advantages in this only happening if negotiation had not reached a substantial level of agreement?

Should it be statutory or voluntary?

How should the membership be determined?

How should it be decided what issues would be addressed?

Should recommendations be binding; subject to consultation; or subject to negotiation? If subject to negotiation might the results of negotiation only overturn the proposals of an independent advisory body in certain circumstances?

How should affordability be provided for in relation to an independent advisory body?

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I: Pay Formula

7.59 A different type of outside element would come from establishing a formula for determining teachers' pay by reference to other factors in the economy or else a restraint such as that recommended in the Megaw report on Civil Service pay. A baseline would first have to be established. Then increases in teachers' pay could be linked to movements in average non-manual earnings, or to the movement in earnings for some group or groups of workers selected as comparable. Alternatively a range could be set within which negotiations could take place: to take the example recommended in the Megaw Report, between the lower and upper quartile of percentage increases for non-manual workers. This would allow some scope for changing relativities to reflect the need to recruit, retain and motivate teachers.

7.60 A formula system could be made binding: or the chosen formula might simply be used to inform negotiations. In that case, if negotiations were statutory, the statute might provide that they should have regard to the relevant movement in earnings.

If a formula were used as part of the arrangement for determining teachers' pay should it be set precisely or as a range?

Should the outcome be binding, or might it be used to inform negotiations?

J: No-Strike Arrangements

7.61 As discussed in Chapter 4, there are strong reasons for devising machinery which attempts to minimise industrial action. There have been suggestions that a 'no-strike' arrangements might be introduced for teachers. In practice, there can of course be no guarantee that industrial action will not take place, even if, in any arrangements, breaking a no-strike agreement led to sanctions. However, it might be possible to limit the likelihood of industrial action by arrangements which placed clear responsibilities on the management and teachers' sides to take part fully in negotiating procedures with an acknowledgement that any independent element in the pay determination process would be accepted.

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Should no-strike arrangements be introduced for teachers?

How should such an arrangement be made binding?

What responsibilities should be placed on management and teachers under such an arrangement?

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CHAPTER 8: CONCLUSION

8.1 Chapter 7 has set out a series of issues and detailed questions. The questions are reproduced as a continuous list at Annex A. In the light of the requirements for the future set out in Chapter 4, the range of interests concerned set out in Chapter 5 and the developments outlined in Chapter 6 comments are sought on the relative importance of the different issues addressed in Chapter 7 as well as views on the individual questions. Responses should be sent to Room 15/15, Department of Education and Science, Elizabeth House, York Road, London SE1 7PH by 30 November 1987.

8.2 Following careful analysis of the responses it is the Secretary of State's intention that there should be discussions with representatives of all those with an interest.

8.3 The Government does not consider it realistic to expect an agreed new permanent machinery to be in place by April 1988. The Secretary of State will approach the discussions on the responses to the Green Paper with a positive view to the prospect of new arrangements being in place by April 1989.



SCOTTISH OFFICE
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The Rt Hon Kenneth Baker MP
Secretary of State for Education and Science
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8 July 1987

NBAN

Dear Ken,

HIGHER EDUCATION PAY AND CONDITIONS

Thank you for sending me a copy of your minute of 1 July to the Prime Minister about future arrangements for the negotiation of pay and conditions in the universities and the polytechnics. I agree with what you propose. On the polytechnics, I am sure, from our experience with the centrally-funded sector here, that there is no need for a DES weighted vote or veto on the polytechnics negotiating body, given the influence you will have as the prime source of funding.

I should make two points about the implications of your proposals for Scotland. Firstly, I appreciate your offer in paragraph 26 of the paper attached to your minute, to consider legislation in your Bill to abolish our unsatisfactory SJNC(FE) which at present attempts to act as a forum for negotiations in both the centrally-funded and local authority sectors here. But as I am now going ahead with my Education (Scotland) Bill, I will have my own legislative vehicle and, subject to the agreement of colleagues, will be able to use that to abolish the SJNC(FE).

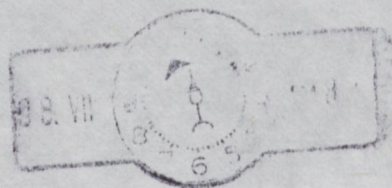
Secondly, we ought to recognise that at some stage there may be a case for bringing the polytechnic and Scottish centrally-funded negotiating machinery together - given the importance the Scots attach to comparisons with the polytechnics (and the universities). But management here still has a lot of unfinished business to do on tightening up further on conditions of service in the centrally-funded sector and probably would not want to lose control of these issues by becoming a minority voice on a Scottish/English Management Side. However, it is an issue which I think I should flag up neutrally when we issue a Scottish consultative document in the next month or so about the abolition of the SJNC(FE) and the arrangements which should succeed it in the centrally-funded sector. For the meantime I do not think that the issue need be mentioned in your consultative document and given that neither you nor I will be seeking a statutory replacement to the present arrangements, we can decide what is best in the light of comments we receive on our consultations.

I am copying this letter to the Prime Minister, to other Members of E(A), the Secretary of State for Social Services and to Sir Robert Armstrong.

*Yours ever,
Mall*

MALCOLM RIFKIND

EDUCATION: Teachers Pay P. 10



06

COSG
4



Prime Minister
Content with proposed
Composition?

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

Dr.
Duty Clerk

The Rt Hon Peter Walker MBE MP
Secretary of State for Wales
Gwydyr House
Whitehall
LONDON SW1

22/12/15
Temporarily retained *Wayland*

**THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT**

Dr. Walker

INTERIM ADVISORY COMMITTEE MEMBERSHIP

Now that we have agreed on Lord Chilver as Chairman we need to settle the rest of the membership quickly. We should announce the whole committee as soon as possible, and certainly before the recess if we can.

We need a Deputy Chairman to provide a political balance to Lord Chilver. I have looked through the list of Labour MPs who retired in June. The only possibility I find there is Ernest Armstrong. His teaching background would be helpful, in that the Committee has to "include persons having relevant knowledge of or experience in education". But that was over twenty years ago, and he is now 72. I would prefer Mrs N Harrison, now retired from local authority politics but a recent Chairman of CLEA and experienced in Burnham, and realistic about the teacher unions. Failing her, I continue to believe Raymond Carter - formerly a Labour MP - now of Marathon Oil, would be good.

We are required to appoint a Committee with between 5 and 9 members, and I propose we should appoint 7. They must be seen as independent minded people, with a wide variety of backgrounds including trade unions, local authorities, industry and education, and certainly one of them must have some link with Wales.

The choice of Chairman and Deputy Chairman affects the mix required among the others. Certainly if we have Ernest Armstrong or Mrs Harrison in addition to Lord Chilver I think one more educationist will be enough, and Dr Peter Andrews, a very sensible retired secondary head teacher would be suitable. Among names put forward from the Welsh Office to reflect the Welsh interest are two industrialists,

To complete the membership I have in mind Bill Kendall for trade union background;

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and [redacted] as a woman member - very important if Mrs Harrison is not included - with experience of the Doctors and Dentists Review Body. On this basis the Committee could be

- Lord Chilver
- Mrs Harrison *LEA*
- Dr P Andrews
- Mr J Barratt *Public Committee*
- Mrs A Hogg *Secretary*
- Mr W Kendall *T.U.*
- Mr T Owen *Revista*

*Who represents
profit - medicine
public interest?*

I should be grateful to know your views on this list by Thursday 9 July. I aim then to check on their willingness to serve and proceed to an announcement during the following week.

I am sending copies of this letter to the Prime Minister, the Lord President, the Chancellor of the Exchequer, the Secretary of State for Employment and to Sir Robert Armstrong.

Temporarily retained. W. Wayland 22/12/15

**THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT**

Handwritten signature

CONFIDENTIAL

CCBA



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

PRIME MINISTER

NBM *NBM at this stage*
(circulated as
E(EP)(87)3)
affair

HIGHER EDUCATION PAY AND CONDITIONS

Kenneth Baker sent me a copy of his minute of 1 July on this subject.

The Government provides 80 per cent of the money for universities and will provide 95-100 per cent for the new sector. Pay, in turn, is about 80 per cent of their costs. The arrangements for negotiating pay should reflect the taxpayers interest in the outcome: both the responsibility for paying the bill and concern about the pay structure and conditions of service and their effect on the quality of education. Kenneth Baker's proposals fall well short of a fair reflection of these interests. If we are to achieve our education objectives for these bodies within the funds we are prepared to allocate to them we must have greater control over this large element of costs.

For the universities, Kenneth argues that the Committee A/Committee B system has broken down and that financial levers and informal contact will give us sufficient influence over pay in future. The danger is that, under Kenneth's proposed arrangements, the universities could negotiate an excessive settlement with the union and then come along to the Government and ask for extra money to finance it. We would be faced with the dilemma of either giving in or refusing. If we refused and the settlement was called off we would be held responsible for the managements inability to reach a settlement - rather like we were with teachers before Burnham was abolished. If, instead the universities went ahead and implemented the settlement we would then be blamed



for the cutbacks in research and in student numbers necessary to finance it. Either way we would not have avoided the responsibility of taking a view about pay and dealing with the consequences of the settlement. But we would have lost any influence over the outcome.

To avoid this happening we need a voice on the management side of the negotiating body and the ultimate ability to veto excessive settlements. Both are important: the former to ensure that we have an influence on pay structure and conditions of service which are a key influence on the quality of education, and the latter to protect both educational priorities and the public purse. I suggest that the official side of a reconstituted Committee A should contain some Government representatives who could vote on all matters. The weighting of the Government voting strength would be for consideration but I do not envisage the Government having a voting majority. Settlements negotiated by this Committee would take effect once the Secretary of State had confirmed them, but he could if absolutely necessary veto settlements on cost grounds, and in the last analysis impose his own. I think that these arrangements would provide an appropriate balance between the managerial prerogatives of the universities and the financial responsibilities of Government.

I would envisage the same kind of arrangement applying for the new polytechnic and college sector and its counterpart in Scotland.

I also agree with Kenneth Baker that it would be desirable to get consultations started before the summer holidays. I think they should be on the basis indicated above.

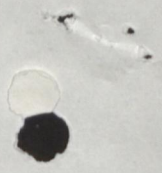
I am copying to E(A), John Moore and to Sir Robert Armstrong.

N.L.

N.L.

6 July 1987

Education: Policy PT10



CONFIDENTIAL



File LPO
ccBG

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

2 July 1987

Dear Sir,

TEACHERS' PAY AND CONDITIONS

The Prime Minister has seen your Secretary of State's minute of 1 July proposing the appointment of Lord Chilver as Chairman of the Interim Advisory Committee, and, subject to the views of colleagues, is content that Lord Chilver should be appointed.

I am copying this letter to the Private Secretaries to the Lord President, Chancellor of the Exchequer, Secretary of State for Employment and the Secretary of State for Wales.

Yours,

David

David Norgrove

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

CONFIDENTIAL

CIBG



PRIME MINISTER

Circulated
as E(EP)(87)3

HIGHER EDUCATION PAY AND CONDITIONS

NBM.

I attach a more detailed paper which examines alternative arrangements for determining pay and conditions of non-clinical academic staff in higher education, including both the university and the new polytechnics and colleges sectors. The paper has been prepared by my officials in the light of views expressed at a meeting you chaired on 25 February. It has been the subject of inter-Departmental consultation at official level.

2. I would like to see a move towards pay bargaining at the level of each institution. But it would not be practicable to enforce this. For the time being the institutions would certainly go for some kind of collective machinery. This being so, most of the Departments concerned broadly agree that the most sensible approach in both sectors is non-statutory national collective bargaining machinery covering both pay and conditions, with my Department having a direct involvement on the management side of the new polytechnics and colleges sector.

3. For this new sector I envisage a role in the early years for the Department in helping to bring together the diverse employer interests of the polytechnics and the different groups of colleges. My representatives should also be able to contribute some expertise on negotiating matters to a management side which will have had no previous experience of negotiation and will not have a counterpart to the well-established secretariat which services the universities' Committee of Vice-Chancellors and Principals (CVCP). That said, I see no need for my Department's formal involvement to consist

of more than perhaps a couple of voting seats. The influence of those seats, when combined with direct control of the purse strings, will be considerable. We should review the need for a continuing Departmental involvement after the first 2 or 3 years.

4. On the university side, there is a long established tradition of independent pay bargaining. It is also the case that the CVCP, assisted by funding constraints, has been quite successful in recent years in keeping university settlements down. However, the present Committee A/Committee B machinery is no longer appropriate and I envisage for the future a single committee on the lines of Committee A which brings together the employers and the Association of University Teachers.

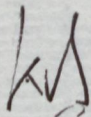
5. Treasury officials have suggested a dominant position for DES representatives on the management sides of both sectors. This would require the DES to have a veto on all aspects of offers by the management side. It would have to be imposed by legislation against strong opposition at least in the case of the universities. It would also conflict with the Government's intention of giving the polytechnics and colleges responsibility for managing their own affairs and would bring with it a Ministerial responsibility for the details of pay and conditions of service in higher education.

6. We are committed by the Higher Education White Paper (Cm 114) to consult both sectors about future negotiating arrangements. There is some flexibility about the timing of these consultations which ought to take place in parallel. If my approach is accepted the new arrangements would not need to be reflected in the forthcoming Education Bill since no statutory provisions would be required. The present voluntary arrangements for the universities could remain in place for the time being; and those recently established for local authority further and higher education would operate until the new polytechnics and colleges sector comes into being

probably in 1989. On the other hand we should not delay unnecessarily because there is now an expectation that the Government will consult and a risk that continued uncertainty will further unsettle the staff in the polytechnics and colleges who do not know what the future holds for their pay and conditions of service arrangements. I should like to initiate the consultations before the summer holidays.

7. I should be glad to know that colleagues are content with my proposals, and am of course ready for a collective discussion if others should wish it.

8. I am copying this minute to other members of E(A), to the Social Services Secretary, and to Sir Robert Armstrong.



KB
Department of Education and Science

| July 1987

[REDACTED]

CONFIDENTIAL

HIGHER EDUCATION PAY AND CONDITIONS

Note by the Department of Education and Science

INTRODUCTION

1. The purpose of this paper is to consider future arrangements for the determination of pay of non-clinical academic and academic-related staff in the higher education (HE) sector in England (and Scottish, Welsh and N Ireland universities) in the light of two developments announced in the White Paper "Higher Education: Meeting the Challenge" (Cm 114):

- Government acceptance of the Croham Report recommendation that the existing negotiating arrangements for university academic salaries be re-examined;
- the Government's intention to set up a new polytechnics and colleges sector in England, comprising the polytechnics, certain other colleges transferred from local government, and existing grant-aided institutions.

CURRENT ARRANGEMENTS FOR PAY DETERMINATION

Universities

2. The formal machinery for negotiating the pay of university academic staff - other than clinical academics - and the pay of academic-related staff involves two committees. The first stage, known as Committee A, involves the Association of University Teachers (AUT) and the University Authorities Panel (AUP), the employers' negotiating team appointed by the Committee of Vice Chancellors and Principals (CVCP). An independent Chairman is appointed by agreement of both sides - Sir Pat Lowry has recently been appointed to succeed Sir Alexander Johnston, who has been Chairman since the present arrangements were established. The Chairman's task is to ensure that a single proposal goes forward to the Government, if necessary by formulating that proposal himself. Such a proposal is binding on both the AUT and the AUP. The proposal is then put to the Government in the second committee, known as Committee

2. This consists of the independent Chairman of Committee A together with representatives of the universities and of the AUT on the one hand, and DES on the other. The Chairman of Committee B is appointed by the Secretary of State, and is the Deputy Secretary responsible for pay matters in the DES.

3. The arrangement is voluntary and dependent for its successful operation on the goodwill of the parties involved. That goodwill is less apparent now than before and all sides have concerns over the appropriateness of the machinery. Indeed, the fact that Committee B met only twice in 1986, both times in non-negotiating mode, and that it did not meet at all during 1983-85, is indicative of the fragility of the formal structure.

4. There is no collective arrangement for negotiating conditions of service for university staff. These have for the most part been settled on a local basis with each institution. Some strains have, however, appeared following the recently agreed universities pay restructuring, which included some conditions of service elements alongside the substantial general increase in pay. The AUT would like more central negotiation on conditions but individual universities are reluctant to cede this to the CVCP.

Local authority higher education

5. Before the 1987 Teachers' Pay and Conditions Act, the pay of all teachers in the local authority sector of further education (FE) was determined under the Burnham arrangements set up by the 1965 Remuneration of Teachers Act. The Burnham FE Committee consisted of local authority employer and teachers' union representatives, and an independent chairman. The National Association of Teachers in Further and Higher Education (NATFHE) dominated the teachers' side. The DES had 2 voting seats. Conditions of service were determined in a parallel voluntary body, the National Joint Council for Further Education (NJC). The differences between the composition of the NJC and Burnham FE were that on the NJC the Association of Polytechnic Teachers (APT) had no seat and the DES had only observer status. In recent years negotiations on both pay and conditions of service have in practice taken place in the NJC, with ratification through the Burnham machinery an empty formality.

6. The 1987 Act repealed the Burnham arrangement, and in relation to further education left the employers and unions free to agree their own arrangements. In practice this makes little real difference. The NJC has formally become

the body responsible for negotiations on pay as well as conditions of service. The one difference is that under the Act a seat on the NJC has had to be found for the APT.

Grant-aided institutions

7. The colleges, other than Cranfield and the Royal College of Art, are bound as a condition of the grant they receive from the DES to pay their academic staff the established FE rates, and they also follow the conditions of service set in the NJC. They have no negotiating arrangements of their own, and have only observer status on the NJC.

Non-Academic Pay

8. The Government is not involved in the arrangements for determining the pay and conditions of non-academic staff in either the universities or the polytechnics and colleges. So far as the local authority institutions are concerned, the non-academic staff are treated like other local authority white collar and manual workers (in the negotiation of whose pay Government Departments play no direct part). The grant aided institutions follow the local authority sector and in some cases the NHS. So far as staff in universities other than academic and academic-related are concerned, there is a mixture of local and national bargaining, with the pattern effectively determined by what happens in local authorities. Arrangements for the pay of non-academics are not considered further in this paper; it may be appropriate at a later stage to consider whether the existing links with local authority pay bargaining could and should be weakened.

NEW ARRANGEMENTS FOR PAY DETERMINATION

9. Public funding for the new polytechnics and colleges sector will flow through the Polytechnics and Colleges Funding Council (PCFC). Funds will be paid direct by central Government to the PCFC for allocation by that body to the institutions on a contract basis. There will be few other sources of finance, though institutions will be able to earn money from external sources for research and other activities - perhaps amounting to 5 per cent of total income. That will not make a significant reduction in the extent to which the new sector will be dependent on Government for financing its main staff pay bill.

10. Thus there will in future be financing arrangements for the polytechnics and colleges sector which are similar to those for the university sector. It follows that one possibility to be considered is a single set of pay-determining arrangements covering all of higher education in England (and the rest of the UK universities).

A SINGLE ARRANGEMENT

11. A single forum for determining pay across the whole of higher education might tend over time to make the university and polytechnic sectors more like each other, whereas the Government's higher education policies rest on continuing distinctions between their functions and the levels of public funding they receive. There would no doubt be pressure from the polytechnics and colleges for pay parity between the two sectors, which would be expensive (university lecturers would continue to have a pay lead of some 10-16 per cent, according to grade, over their counterparts in the polytechnics and colleges if the latter accepted the FE employers' current offer). More immediately the two interests on each side of such an arrangement would be unlikely to blend well. The Committee of Directors of Polytechnics (CDP) would be bent on achieving parity of pay and resources with the universities, an objective which the CVCP would fear could only be achieved at the universities' expense. And the AUT and NATFHE are most unlikely bedfellows - the latter would strive for parity and the former for continuing superiority.

12. Thus unified machinery could probably only be achieved through imposition, and there are no clear advantages in a single collective bargaining forum which would justify imposing it. The conclusion must be that there will have to be separate pay determining arrangements for the university sector and for the polytechnics and colleges sector.

NO GOVERNMENT INVOLVEMENT

13. Separate pay arrangements could be achieved by leaving all the institutions - universities, polytechnics and colleges - free to determine pay as they wished. A possible but unlikely outcome would be a network of institution-based arrangements, which would have the benefit of being sensitive to local market conditions. Against that it can be argued that the market for most higher education lecturers is national, if not international, and that locally differentiated pay structures

could obstruct desirable labour mobility.

14. In practice the outcome of leaving it to the institutions to sort themselves out would be voluntary collective bargaining on a national scale. Failure to join together in this way would put the institutions at a considerable disadvantage to the nationally organised unions. The universities would continue to group together, as would the polytechnics who would probably but not certainly take the colleges under their wing. The overall result could well prove unsatisfactory, and there would be no clear channel through which Government views and objectives could make themselves felt in relation to the new sector.

UNIVERSITY SECTOR

15. There are three options: no change; the abolition of Committee B and the retention of something like the present Committee A; and the addition of a Government presence to Committee A. It has already been noted that the Committee A/Committee B structure is unlikely to survive, with Committee B effectively redundant (as it has been since the introduction of cash planning into the arrangements for the universities).

16. The abolition of Committee B and the retention of Committee A would probably be acceptable to the CVCP. The AUT's preference is less clear, though they could hardly resist this kind of arrangement if Government and CVCP were for it. Government influence would be exercised mainly through control of the purse strings, to which conditions as to the kind of pay structure and conditions of service Government might want could be attached. Occasional informal discussion between DES and one or other or both of the two sides would no doubt be needed so as to ensure a clear understanding of the Government's position; in practice this is broadly what has prevailed for the last few years.

17. The alternative would be a negotiating committee with a direct Government involvement on the management side - Committee A with DES representation. While the AUT might welcome the opportunity this would offer to bargain directly with the Government, the CVCP would not welcome a Government presence on the management side. The CVCP see negotiation with their employees as their job. And it is a job which they have done fairly well. A DES presence is unlikely to add to the influence which the Department already wields through

its control of funding, especially if it is unwelcome to the CVCP; and there would be a risk that it might force the CVCP and the AUT together in confronting the Government with demands for more money. In practice purse string control has been effective in recent years in delivering acceptable pay settlements for the university sector in Committee A.

POLYTECHNICS AND COLLEGES SECTOR

18. The new polytechnics and colleges sector will be different from the university sector. The employers will consist of three disparate groups, none of which has any experience of pay negotiation. The CDP will be the dominant force on the employer side, and its approach will be coloured by a wish for parity of treatment with the university sector. The inexperience and diversity of interest on the employer side argue for a major role for the DES on the management side in the early years. Provided good working relationships can be established and maintained it would enable the DES representatives to bring together the different interests of the polytechnics and the colleges. It would also permit the Government's position to be kept clearly in the minds of both the management side and the unions at crucial points in the negotiating process.

19. The above considerations suggest that the preferred outcome from the Government point of view would be a single negotiating body consisting of the employers, the unions, and the DES, possibly with an independent chairman. The need for a continuing DES presence could be reviewed after the first 2 or 3 years. Such an arrangement seems most likely to lead to pay and conditions supporting the flexible and efficient provision of higher education that the Government wants. It would not be like Burnham, because the "management side" would be almost wholly dependent on the Government for finance to pay for settlements reached; and on the unions' side there is nothing like the conflicts of view and interests which made the sensible operation of the schoolteachers committee impossible.

20. The formal strength of the DES presence has to be determined. A minority voting presence, when combined with control of the purse strings, would give the Department's representatives a sufficiently powerful voice on the management side. Because the Government would be the only real source of finance there

would be no need for a veto or a weighted vote.

21. Given the DES presence on the NJC which now sets pay and conditions in polytechnics and colleges, it seems unlikely that the two sides would resist DES involvement in new machinery as proposed above.

22. Arrangements of this kind could be secured in two ways: by legislation or as a condition of grant. As legislation is required to set up the new sector there would be no difficulty in using that legislation to establish statutory arrangements for pay determination. The disadvantage of statutory backing is that it would give some permanence and inflexibility into a particular set of arrangements which might not be appropriate in the longer term.

23. The alternative of requiring a particular arrangement as a condition of funding to the institutions is therefore attractive. The Secretary of State will have a reserve power to give directions to the PCFC and the latter will be required to draw up Financial Memoranda governing its financial relationship with each of the institutions. It should therefore be possible to include in those Memoranda as a condition of funding the requirement that the pay and conditions of its academic staff should be determined in accordance with arrangements to be agreed with the Government.

THE REGIONAL DIMENSION

24. The new polytechnics and colleges sector will be confined to England. For the present at least the Government intends no corresponding change for the Welsh institutions outside the universities which provide higher education. A Welsh local authority will continue to have a direct employer responsibility for the single Welsh polytechnic. The Welsh Office will aim to ensure that pay and conditions in that polytechnic replicate these in the English polytechnic sector.

25. The Government intends however to make provision in the forthcoming legislation for the future application of the new arrangements in Wales should this seem desirable at a later stage.

26. The non-university sector of higher education in Scotland is mainly funded by SED, and consists of colleges of education and polytechnic equivalents known as central institutions. For pay determination purposes the statutory

Scottish Joint National Council (Further Education) covers this group as well as the local authority colleges. In practice the local authority FE interests dominate, and the question may arise whether the present statutory SJNC (FE) should continue to cover Scottish AFE. The English proposals for the polytechnics and colleges sector will provide a precedent for the establishment of separate negotiating machinery for the colleges of education and the central institutions. The legislation required to set up the new polytechnics and colleges sector in England might provide a suitable opportunity to make the necessary changes in the current Scottish statutory arrangements.

CONSULTATION

27. There is a commitment in the Higher Education White Paper (Cm 114) to consult both sectors about future negotiating arrangements. There is some flexibility about the timing of these consultations which ought to take place in parallel. No provisions would need to be included in the forthcoming Education Bill unless statutory machinery was required; no such provisions would be needed if the recommendations in this paper were accepted. The present voluntary arrangements for the universities can remain in place for the time being; and those recently established for local authority further and higher education will have to operate until the new polytechnics and colleges sector comes into being probably in 1989. On the other hand there should be no unnecessary delay because there is now an expectation that the Government will consult and a risk that continued uncertainty will further unsettle the staff in the polytechnics and colleges. It would be appropriate to initiate the consultations before the summer holidays.

CONCLUSION

28. The following issues need to be considered:

- i. the case for a single set of arrangements covering all of higher education. The paper argues that this would be unwelcome to some of the key parties involved and would not further the Government's policies for higher education (paras 11-12);
- ii. the case for leaving the institutions free to set up their own arrangements. The paper argues that the likely outcome for the polytechnics and colleges of voluntary collective bargaining

on a national scale with no direct Government involvement would not be satisfactory (paras 13-14);

- iii. the appropriate arrangements for the university sector. The paper envisages a single committee similar to the existing Committee A (paras 15-17);
- iv. the appropriate arrangements for the new polytechnics and colleges sector. The paper points towards a single negotiating body with the DES in membership of the management side in the early years, set up as a condition of grant (paras 18-23);
- v. the Scottish dimension. The paper notes that there could be a case for Scotland to follow the English pattern and establish separate negotiating machinery for the colleges of education and the central institutions (para 26).
- vi. consultation. The paper notes that there is a commitment in the Higher Education White Paper (Cm 114) to consult both sectors about future negotiating arrangements. It would be appropriate to initiate the consultations before the summer holidays (para 27).

CBS



*Prime Minister's
Content?*

DSW

1/7.

*Yes
Excellent
me*

PRIME MINISTER

after

TEACHERS PAY AND CONDITIONS

I minuted you on 23 June about approaches I had made to find a Chairman for the Interim Advisory Committee. The second name to whom I spoke has now written to me to say that he really cannot take on the time commitment involved this Autumn. After taking further soundings I saw Lord Chilver earlier this week. He is willing to take on the job and is clearly well seized of the complexities of the business ahead. I have consulted Willie Whitelaw who thinks Lord Chilver is an excellent choice. I hope you will agree to Lord Chilver's appointment. If you are content, I would intend to consult him quickly about the composition of the rest of the Committee.

Copies of this minute go to Willie Whitelaw, Nigel Lawson, Norman Fowler and Peter Walker.

k.B.

KB

1 July 1987

Department of Education and Science

Education Teachers By PTIO.



CONFIDENTIAL



CBG
B1

JRW

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

25 June 1987

Dear Mr ,

SCHOOL TEACHERS' PAY AND CONDITIONS
OF EMPLOYMENT

The Prime Minister has seen your Secretary of State's minute of 23 June in which he proposed on Friday this week to issue for consultation a draft Order under the Teachers Pay and Conditions Act 1987 which will bring into effect the second half of the 1987 pay settlement for teachers. Subject to the views of colleagues, the Prime Minister is content.

I am copying this letter to Mike Eland (Lord President's Office), Alex Allan (HM Treasury), Jon Shortridge (Welsh Office), John Turner (Department of Employment), Robert Gordon (Scottish Office), Michael Saunders (Attorney General's Office) and Trevor Woolley (Cabinet Office).

David

(DAVID NORGROVE)

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

CONFIDENTIAL

JRW

010
CONFIDENTIAL

P 02744

MR NORRGROVE



cc: BG ✓

From: J B UNWIN
24 June 1987

cc Mr Woolley
Mr Wells

NBRN.
SCHOOL TEACHERS' PAY AND CONDITIONS OF EMPLOYMENT

Mr Baker's minute of 23 June to the Prime Minister seeks authority to go ahead on the draft Order to bring into effect the second half of the 1987 teachers' pay settlement; and warns the Prime Minister that he may wish to have an early word about the appointment of the Chairman of the Interim Advisory Committee on Teachers' Pay and Conditions. *WITH DKW*

2. On the draft Order, I see no alternative to Mr Baker's proposal, which would in effect treat teachers in the same way as the Chancellor proposes to treat civil servants, whether they have taken part in industrial action or not. With the exception of teachers in inner London and one or two other areas with particularly hostile local authorities, the teachers unions are on the whole lying low and behaving themselves at present. The NUT do not appear to want to attempt any serious disruption before the autumn; and the NAS/UWT clearly do not wish to lose face by proposing industrial action that would not be supported. For the Government to go so far as to withhold the second phase of the pay increase from everyone would, of course, only serve to alienate public opinion and enflame a situation which by and large is going the Government's way.

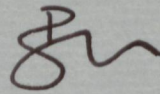
3. I suggest, therefore that, provided the Treasury confirm that they are content with Mr Baker's proposal, the Prime Minister should also assent to it.

4. So far as the Chairman of the Interim Advisory Committee is concerned, I understand that the second candidate is likely to give his answer soon after the weekend. The Prime Minister may, however, wish to have a word about this with Mr Baker when he sees her on other matters on Friday afternoon. We need to be ready with an

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acceptable alternative name or names if precious further time is not be lost. One possibility, which came up at the one of the pre-election discussions, was Henry (now Lord) Chilver. If he can find time for it, I think he would fill this interim role quite well, and be generally acceptable. If the Prime Minister agrees, she might wish to try him on Mr Baker together with any other candidates she may have in mind.



J B UNWIN



Prime Minister 1
 Comment that Mr Baker
 should issue the draft order
 for consultation?

cc BG
 cc BI

PRIME MINISTER

SCHOOL TEACHERS' PAY AND CONDITIONS OF EMPLOYMENT

DW
 24/6.

It is important that we now announce the appointment of the Chairman of the Interim Advisory Committee on school teachers' pay and conditions as soon as possible. This will make it clear beyond doubt that the Interim Advisory Committee will be set up. At your meeting on 28 April we agreed on the names of two potential chairmen. The first turned it down because he lives in the north of Scotland and concluded that it was not practicable for him to take on the responsibilities. I met the second this morning who will let me have an answer soon. If he turns it down I should be grateful for an early word with you about other names.

Sir
 Peter
 Rain

Sir George Jefferson.

On Friday of this week I plan to issue for consultation a draft Order to be made under the Teachers' Pay and Conditions Act 1987 which will bring into effect the second half of the 1987 pay settlement for school teachers. I must move quickly to complete the consultation on various detailed aspects of the new structure so that I am in a position to make and lay the Order by the end of July or very early in August. Unless I can do this, local education authorities will not have adequate time to set up arrangements for the first tranche of new incentive allowances to be paid as from 1 October.

In view of the strike action earlier in the summer I sought advice from the Attorney General on the possibility of delaying or applying selectively the second phase of the pay increase. His advice is that it would be unlawful either to establish pay scales which applied selectively to teachers who have not taken part in industrial action, or to defer making the Order in circumstances where details of the new structure have already been publicised and preliminary consultations have taken place.

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Accordingly I should be grateful if colleagues would let me know by noon on 25 June should they see any difficulties with my proposed timetable which reflects consultation with Treasury officials.

I am sending copies of this minute to the Lord President, the Chancellor of the Exchequer, the Secretaries of State for Wales, Employment, and Scotland, to the Attorney General and to Sir Robert Armstrong.

KB.

A handwritten mark in blue ink, consisting of a horizontal line above a series of wavy, scribbled lines.

KB
Department of Education and Science

23 June 1987

CONFIDENTIAL

CONFIDENTIAL
EDUCATION

TRAVELERS LAY

0710



CONFIDENTIAL

FW *DA*
PRIME MINISTER

cc: Mr. Sherbourne

The teachers unions and employers are meeting at the moment and there may be an announcement this evening of some sort of "agreement" on a National Joint Council for school teachers' pay and conditions. Some factual briefing from DES is attached. This is being cleared with Mr. Baker and the Treasury this evening.

P. A. Bearpark

1 June 1987

JA(14)

To ● Nigel Wicks by Fax from Rob Smith CC Alex Allan
DES 1.6.87 Trsg.

● Defensive Briefing against "worst case" outcome of teacher union/employers talks. Assumed outcome - "agreement" on National Joint Council for school teachers' pay and conditions. Membership - some mix of local authorities and unions, possibly with weighted votings, with place (largely unspecified) for Secretary of State.

Q1. Do you welcome this? Will you restore negotiating rights?

A1. Look carefully at what put to me but from what I am told, it looks too like Burnham to be able to deliver acceptable settlements without disruption. Burnham failed. What we must have is something that will work.

Q2. If you reject negotiations, what then?

A2. Government has promised a Green Paper. It will examine all reasonable options - negotiations, advisory committees, review bodies, separate arrangements for heads. All must be seriously examined.

LAAAs and unions have not seriously looked at all these options.

We must find the best option, after full examination and consultation.

Q3. But the unions and the employers have now come up with a formula for restoring negotiating rights.

A3. Others have rights - parents, taxpayers, ratepayers and above all children. They have rights too - to disruption-free education. Old negotiating machinery - Burnham - failed the children. Government wants to guarantee children's rights.

So we want to look at all possibilities and we'll do that with a Green Paper.

Q4. What about 1988?

A4. The Interim Advisory Committee - which I shall appoint very soon after the election - will have time to provide considered independent advice for that as an interim arrangement. And there is a role in this process for the unions and the employers.

That gives us the time to find the right long term solution.

010
RESTRICTED



cc B
NORTHERN IRELAND OFFICE
WHITEHALL
LONDON SW1A 2AZ

SECRETARY OF STATE
FOR
NORTHERN IRELAND

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

13 May 1987

Ken

NBM

NORTHERN IRELAND: TEACHERS DISPUTE

As our proposals for the pay and conditions of service of teachers in England and Wales were moving forward, Brian Mawhinney was encouraging employers and teachers' unions in Northern Ireland to make a further attempt to reach an agreed settlement. In particular Brian was aware that the locally-based teachers unions were worried about the effect which the loss of their negotiating rights would have on their continued existence. He was successful in bringing employers and teachers' unions together for discussions which lasted 3 days at the end of which a draft agreement was produced which is in accordance with Government policy. The Northern Ireland teachers' unions have agreed to put this to a ballot of their members. The result will not be known until 18 May but early public comments from the teachers' unions have been encouraging and I am hopeful that the teachers' dispute in Northern Ireland will soon be settled. If so, I believe that a negotiated settlement of the teachers' dispute in Northern Ireland will further demonstrate the reasonableness of our approach throughout the UK.

I am copying this letter to the Prime Minister and other members of
-MISC 122.

2
TK

TK

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CCB G
 cc: SS
 Prime Minister

DS
 12/5.

PRIME MINISTER

FUTURE ARRANGEMENTS FOR DETERMINING SCHOOL TEACHERS' PAY AND CONDITIONS

1. One of the issues which will inevitably be raised over the next few weeks is future pay determination arrangements for school teachers.
2. I think we should take a robust line, following my announcement last week that we shall publish a Green Paper on future pay determination arrangements. The Burnham arrangements had broken down. Even with ACAS help Burnham did not deliver an acceptable settlement. The Teachers' Pay and Conditions Act was essential to enable us to settle pay and conditions in 1987, and to provide for an interim committee and a breathing space. But the Government is determined to move to effective permanent arrangements.
3. I attach some notes which colleagues might find useful. The "positive" section provides ammunition to rebut any woolly charge that we are unreasonably overriding teachers' "rights".
4. Copies of this minute go to members of Cabinet, the Chief Whip and Sir Robert Armstrong.

KB

Department of Education and Science

12 May 1987

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SCHOOL TEACHERS' PAY AND CONDITIONS FUTURE PAY DETERMINATION ARRANGEMENTS

Factual

1. Teachers' Pay and Conditions Act received Royal Assent on 2 March. It was necessary to provide for a) a pay increase for teachers in 1987, b) clarification of conditions of employment of teachers and c) the setting up of the Interim Advisory Committee. The Act expires in 1990.
2. On Pay Government's intention is that teachers should receive a pay increase on average of 16.4% - half with effect from 1 January, half from 1 October. An Order now approved by Parliament provides for the first half. Teachers will receive back pay in May or June covering first half of pay increase. Back pay will be about £300 for a teacher on top of Scale 1 and £600 for some deputy heads. There will need to be consultation after the election about the second Order which will provide for the 1 October component.
3. On duties and working time the Order made under the Act and now approved by Parliament is based closely on proposals developed by unions and local authority employers in ACAS. The Order sets out what conscientious teachers have been doing for years. It is a major step forward in protecting pupils and parents from 'so called' 'withdrawals of good will'.
4. For the future:
 - a) the Government is committed to set up the Interim Advisory Committee to advise on the April 1988 pay settlement.
 - b) in a speech on 5 May the Secretary of State for Education and Science promised a Green Paper surveying the issues and setting out possibilities for the longer term.

Positive

5. In last 12 years only 4 settlements were negotiated in Burnham Committee. In its final months Burnham needed the prop of ACAS to stagger from endless meeting to meeting.
6. Burnham produced chaos and breakdown. There was no agreement on what to replace it with. Hence short-term solution of Interim Advisory Committee to allow breathing space to work out new and effective permanent arrangements.
7. The Secretary of State for Education should not be the determiner of teachers' pay. Government is determined to move to effective permanent machinery. There needs to be real thought, reflection and analysis to find a long-term solution that is fair not only to teachers, but to parents, taxpayers, ratepayers and children.
8. Not simply question of one group's rights. It is question of finding machinery which fairly reflects interests of all these groups. Can be no going back to negotiating brawl of Burnham.
9. Government will be publishing Green Paper carefully surveying the issues and setting out a variety of alternative approaches.
10. Union and local authority leaders need to be open-minded and not hidebound by past arrangements. Continuing disruption is short-sighted and opposed by parents.
11. The Government intends on the basis of the Green Paper to enter into detailed discussions later in the year with all those with an interest - the local authority associations, teacher unions, churches and parents.
12. Because of firmly entrenched and conflicting views general agreement involving all interested parties will not be easy to achieve. Government hopes that over the months ahead agreement can be reached by all parties.

Defensive

13. Will the Interim Advisory Committee be independent? The Committee will be composed of independent-minded people and will advise on the April 1988 pay settlement. Its members will be appointed during the summer.
14. Will the unions have any role in the April 1988 pay settlement? The Committee is required by Teachers' Pay and Conditions Act to seek evidence and representation from the teacher unions. The Secretary of State for Education and Science is required by the Act to consult the teacher unions before putting any proposals before Parliament.
15. Why cannot new permanent arrangements be in place by April 1988? Given the divisions between the various parties on what should be the long-term replacement of Burnham, it is unrealistic to argue that agreement can be reached by all concerned with legislation enacted in time for April 1988.
16. Is not the Secretary of State making difficulties where none exist? Huge differences exist between the unions. One union leader described Burnham as a recruiting tent not a negotiating forum. One of the head teacher unions wants separate arrangements for heads and deputies: the other head teacher union does not want separate arrangements.
17. Will the Government give a firm commitment to return to free collective bargaining? The Government are committed to seeking new permanent arrangements for determining school teachers' pay and conditions that are fair to all those with an interest including teachers and parents. New arrangements must be effective. The Burnham Committee did not work: there can be no going back to a re-vamped Burnham.
18. What options will the Green Paper consider? There are a wide range of possibilities. The Green Paper will look at statutory and non-statutory negotiations. It will look at possible developments from the Interim Advisory Committee machinery. It will need to consider suggestions from the National Association of Head Teachers (NAHT) for a separate arrangement for heads and from the National Confederation of Parent Teacher Associations (NCPTA) for a review body.
19. When will the Green Paper be published? The Secretary of State for Education and Science has given a commitment that consultation on permanent arrangements will begin early in the autumn. Publication of the Green Paper will be an important first stage of that consultation.
20. When will permanent machinery be in place? Much will depend on how long it takes for all those with an interest to reach agreement. It is unrealistic to expect an agreement on new legislation to be enacted in time for April 1988. But that does not mean that we will not be able to get it in place by April 1989 - that is, before 1990 - and the Government will strive to do that.
21. Is the Government afraid to put its views before the ILO? The ILO has received various representations on the Teachers' Pay and Conditions Act which refer variously to different conventions. The Government will give a full and considered reply for the November meeting of the Committee of Freedom of Association. The Government does not believe that the Act is in breach of international conventions.
22. Is not the Government underestimating the militancy of teachers? Most teachers must have been saddened to see the parade of militants on TV screens over Easter. Thankfully militancy does not pay. According to the unions' own ballot figures membership of the NUT fell by 26,000 between December 1984 and this March, and that of the NAS/UWT by 5,000. It is no coincidence that in the same period membership of the AMMA, which voted against strike action, rose by 22,000, and that of the PAT, who do not strike, rose by some 15,000.
23. Will the second Order be proceeded with if disruption continues? We very much hope that disruption will not continue now that the Government has made its intention clear of publishing a Green Paper. The Government's plan is to provide for the 1 October component of the 1987 pay increase through a second Order. Parliament will have, of course, the last word in the light of the situation as it develops.

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File DAS

cc BG

SUBJECT
cc MASTER.

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

30 April 1987

Dear Bob,

TEACHERS' PAY

The Prime Minister this morning held a meeting to discuss pay determination arrangements for school teachers on the basis of your Secretary of State's minute of 28 April. There were present your Secretary of State, the Lord President, the Chancellor of the Exchequer, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Scotland and Wales, the Paymaster General, Mr Brian Unwin, and Professor Brian Griffiths (No 10 Policy Unit).

Your Secretary of State said that some teachers were still seeking to disrupt the education of children. The disruption was not intense, and the pay of those taking action was being docked. However, there was considerable pressure for the Government to show some movement towards discussions on permanent arrangements for settling teachers' pay. In the debate next week about the Order on pay and conditions of employment, it would be possible to point to the role of the unions both in making representations to the Interim Advisory Committee and during consultations following recommendations made by the Committee. But it would be helpful to go further and to undertake to publish a substantial consultation paper by the end of the summer term which would set out all the possible arrangements. The 1988 settlement would certainly be handled by the Interim Advisory Committee and it was possible that the 1989 settlement might be handled similarly.

In discussion, it was noted that the Government had gone to considerable lengths to set up the interim arrangements, avoiding a firm final date for them. The opportunity for reflection which they had created must not be thrown away. It would be important to gain as much time as possible, in part to allow the proposed education reforms to begin to take effect. It could also be difficult to agree a consultation paper by the end of the summer term if the Election were held in June.

It was agreed that your Secretary of State in announcing the consultation paper should give no date by which it would be published and should give no indication about when new arrangements might be put in place. The Government would

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need, before the paper was published, to have made some progress in deciding the broad direction in which it wished to move.

Other points made in the discussion included the following.

- (i) The key phrase in relation to the Interim Advisory Committee had been included in your Secretary of State's statement of 30 October, namely, that it would "advise the Secretary of State on conditions of service and the distribution of pay within the resources available at the appropriate time". The possible remit to the Committee described in your Secretary of State's minute of 23 April (paragraph 10) seemed to represent a softening of that. Your Secretary of State said that was not the intention.
- (ii) There could be no question of creating a review body for the teachers: they had, unlike the nurses, sought to achieve their ends through strike action.
- (iii) A key objective in the permanent arrangements for settling teachers' pay would be to retain the freedom for the Government to decide the contribution to be made by taxpayers.
- (iv) There was a strong case for the Government to be deemed joint employers of the teachers, and it would be important to try to strengthen the means by which teachers' contracts could be enforced.

Concluding this part of the discussion, the Prime Minister said it was agreed that your Secretary of State might promise a consultation paper, but without setting a date for its publication or indicating a date by which permanent arrangements might be in place. In the coming weeks, and during an Election campaign if there were to be one before the summer, the Government should seek to bring out the size of the pay increases which had been granted to teachers and the other advantages of the settlement in order to prevent the teachers' unions keeping the focus on the claimed loss of negotiating rights. The Government should also point to the weaknesses of the Burnham arrangements, under which the Government had minimal voting rights, even though the taxpayer would foot 46 per cent of the bill, and they could also point to the way in which only 4 out of the last 12 settlements had been reached through the Barnham machinery. If asked why there could not be a meeting involving all the parties to settle future arrangements, it would be possible to point to the difficulty of establishing who should be present: industry and, in future, head teachers of schools which had chosen to opt out of the Local Authority sector, ought among others to be represented. Your Secretary of State would be writing to head teachers next week and every possible effort should be made to put across the Government's case.

In a brief discussion of membership of the Interim Advisory Committee (your Secretary of State's minute of 23 April and minutes from the Chancellor of the Exchequer and the Duchy of 27 April and 29 April) it was agreed that no announcement should be made at present, and indeed there was a case for waiting until the entire membership could be announced. Sir Peter Main would be an acceptable Chairman. However, it seemed likely that he would not be prepared to take it on. Sir George Jefferson would be an acceptable alternative, if available, and indeed he might be preferable to Sir Peter Main. Lord Roskill would be another possibility.

I am copying this letter to Mike Eland (Lord President's Office), Tony Kuczys (HM Treasury), Andrew Lansley (Chancellor of the Duchy of Lancaster), Chris Capella (Paymaster General's Office), John Shortridge (Welsh Office), Robert Gordon (Scottish Office) and Trevor Woolley (Cabinet Office).

*Yes,
David*

D R NORRGROVE

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

CONFIDENTIAL

ea



file

bc BG

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

29 April 1987

Dear Rt,

**SCHOOLTEACHERS: FUTURE PAY
DETERMINATION ARRANGEMENTS**

As you know, the Prime Minister is to hold a meeting tomorrow to discuss your Secretary of State's minute of 28 April about future pay determination arrangements for schoolteachers. It would also be sensible for the same meeting to discuss your Secretary of State's minute of 23 April about the Interim Advisory Committee on Schoolteachers Pay and Conditions, and the Chancellor's comments in his minute to the Prime Minister of 27 April.

I am copying this letter to Mike Eland (Lord President's Office), Alex Allan (H.M. Treasury), John Shortridge (Welsh Office), Andrew Lansley (Chancellor of the Duchy of Lancaster's Office), John Turner (Department of Employment), Robert Gordon (Scottish Office) and Trevor Woolley (Cabinet Office).

Yrs,

David.

(David Norgrove)

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

CONFIDENTIAL

ea

PRIME MINISTER

TEACHERS' PAY

There is one point I would wish to add to the Cabinet Office brief.

Mr. Baker's minute about the Interim Advisory Committee (paragraph 10) says that the Interim Advisory Committee must not be given a remit which the general public would regard as unduly restrictive. He intends instead to make them aware of the financial background. The Chancellor has accepted this.

If Mr. Baker proceeds as he proposes I see no difference between his Interim Advisory Committee and a review body.

You will remember that when the Interim Advisory Committee was agreed you and the Chancellor were both very clear that it should work within a strict financial constraint, and Mr. Baker's statement said that the Interim Advisory Committee would advise

"on conditions of service and the distribution of pay within the resources available at the appropriate time." (A copy of the statement is attached.)

The clear implication is that the Committee would advise on the distribution of a fixed amount.

It would of course cause tremendous hostility amongst teachers were the Government to tell the Interim Advisory Committee that an X per cent increase in the pay bill was available, then asking the Committee simply to distribute it. That is however what I believe was agreed in October last year by Ministers and Mr. Baker should not be allowed to try to change it in this rather sneaky fashion. There is a real question about the role of the Interim Advisory

Committee which needs to be discussed, though perhaps not tomorrow.

I have drawn this point to the Chancellor's attention.

There would be much to be said for prolonging consultation on new teachers' pay arrangements for as long as possible. The other education reforms which have been discussed, particularly financial delegation to headteachers, could open the way to greater flexibility in setting pay. But they need to be given time.

(DAVID NORGROVE)

29 April 1987

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

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P 02654

PRIME MINISTER

School Teachers: Future Pay Determination Arrangements and
Interim Advisory Committee on Teachers Pay

(Mr Baker's minutes of 23 and 28 April;
The Chancellor of the Exchequer's minute of 27 April; and
Mr Tebbit's minute of 29 April)

DECISIONS

The key issues you will wish to decide at your meeting with Mr Baker and others tomorrow morning are:-

(i) whether to authorise Mr Baker to commit the Government in the debate on the teachers' pay Order next Tuesday to circulate a consultative document by the end of the summer term setting out alternative possible solutions for the permanent machinery for settling teachers' pay;

(ii) the names of the Chairman - and possibly Deputy Chairman and other members - of the Interim Advisory Committee on Teachers Pay and Conditions of Employment.

FUTURE PAY DETERMINATION ARRANGEMENTS

2. Mr Baker's argument is in essence that, if he is to keep the unions quiet, and also satisfy a number of friends and supporters, he must at the least promise early consultation on longer term pay arrangements to operate in time for the April 1989 settlement. He does not seek a decision now on the nature of these arrangements. The consultation document would set out alternative possibilities and I am assured by DES officials that the Department genuinely wish to avoid foreclosing any options or prejudging the outcome of the consultation.

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Alternative possible arrangements

3. You may recall that Ministers discussed a range of possibilities last year prior to the outcome of the Main Report. The two models examined in most detail were a Standing Advisory Committee (SAC) and a Teachers' Negotiating Group (TNG). Mr Baker favoured the former; the Chancellor the latter. The nature of these could vary a good deal, depending on the membership, terms of reference etc, and there is a risk that either could result in high awards. Both of these, and alternative possibilities, would also still face the same problems of enforcement. But very broadly, it was thought that the Government's hands might be left freer with a TNG than with an SAC; but that by the same token the latter, with the right membership and terms of reference, might be more credible with the teachers and with the public generally. This is in fact the kind of body for the longer term recommended for Scotland by the Main Committee. No decision has, however, yet been taken on this and it will be important to bear in mind the implications for Scotland of whatever is canvassed and then decided for England and Wales.

4. There are many permutations. Among the broader issues are whether the new arrangements should be statutory or non statutory; whether head teachers should be included or dealt with separately; whether there should be majority voting; to what extent the Secretary of State should be bound by the conclusions or recommendations; and so on. But provided you are satisfied that Mr Baker genuinely intends to leave all these possibilities open both now and in the Consultative Document, there is no need to go into these issues at this stage. On this basis, if you accept his political judgement on the need for announcing something next week, you may feel able to agree to what he proposes.

5. You will, however, want to be assured that there will be full interdepartmental consultation and collective approval by Ministers before any Consultative Document is issued. The lead could either be taken by DES on this, consulting other Departments in the normal way; or, if you preferred, papers could be processed

TEMPORARILY RETAINED. S. Gray 18/12/2015

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OF THE PUBLIC RECORDS ACT

through my Cabinet Office Official Committee as last year.

INTERIM ADVISORY COMMITTEE ON TEACHERS PAY

6. In his minute of 23 April Mr Baker recommends the following possibilities for the Interim Advisory Committee:-

Chairman - Sir Peter Main (alternative Sir Austin Bide);

Deputy Chairman - Ray Carter (first choice)
Nicky Harrison (second choice).

While both the Chancellor of the Exchequer and the Chancellor of the Duchy (minutes of 27 and 29 April) are content with Sir Peter Main, they are unhappy with the other names and the latter has suggested Sir Edwin Nixon (former IBM) and [redacted]

7. I suggest that the key decision now is the name of the Chairman. It will be difficult in any case to settle on other names until the election position is clear. Rather, therefore, than spend time on the other positions tomorrow, there may be advantage in authorising Mr Baker to approach Sir Peter Main, if he is generally acceptable, without delay. You will, however, want to be assured by the Scottish Secretary that this does not conflict with any plans he may have for making further use of Sir Peter Main himself. I should myself be surprised if Sir Peter Main is in fact prepared to take the task on. I understand he has had enough of teachers! If so, you will need to have a reserve name for Chairman.

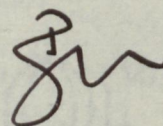
Secretariat for the Interim Advisory Committee

8. Mr Baker suggests it should be provided by DES. The Chancellor of the Exchequer opposes this and suggests a "small independent secretariat on short-term contracts". My own view is that, given the limited life of the body, the most practicable arrangement would be for DES to service it - just as the Scottish

Office most efficiently serviced the Main Committee. If the Chancellor of the Exchequer remains unhappy it would, of course, be possible to consider seconding a Treasury official to the Secretariat.

HANDLING

9. You will wish to invite the Education Secretary to introduce both his sets of proposals. The Chancellor of the Exchequer and the Secretary of State for Scotland will wish to comment on their own interests, and other Ministers more generally.



J B UNWIN

29 April 1987
Cabinet Office

cc BG
✓ cc B/JPC O N F I D E N T I A L

PRIME MINISTER

SCHOOL TEACHERS : FUTURE PAY DETERMINATION ARRANGEMENTS

Limited disruption of schools is continuing. Some 2% of schools are likely to be affected this week, mainly by half-day strikes. The NUT and NAS/UWT are announcing tomorrow further disruption for subsequent weeks. It is too early to say whether disruption would continue during an election campaign but the unions will come under pressure from the Labour Party to stop disruption if an election is called.

The Government's proposals on pay have largely been accepted. The unions now hardly mention pay, although you and I have both emphasised strongly the big increase in pay which teachers are receiving. The conditions of employment set out in the Order now before Parliament have not generated major controversy other than on one or two specific issues such as cover, which will generate localised action by the militants. For all the rhetoric of the Easter conferences, the guidelines issued by the NUT and NAS/UWT are telling teachers to act in a way which is not in breach of the Order.

The bone of contention with the teacher unions is 'negotiating rights'. The NUT and NAS/UWT have now asked to see you to press for a commitment to the 'restoration of negotiating rights by April 1988'. In my view they will continue to campaign on this issue throughout an election campaign, leafleting homes and demanding a clear commitment by the Government.

Following discussions last weekend with some of our candidates and with MPs, I am clear that a further step is desirable. I am also being pressed by the Professional Association of

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Teachers, who have been a great support to us, to take a further initiative. In my view I should firmly promise consultations in the autumn about new permanent machinery, and say that I aim to set up that machinery for 1989. I also intend to spell out for all teachers that in the meantime the unions will be consulted by the interim advisory committee.

There is to be a debate next Tuesday about the Order on pay and conditions of employment now before Parliament. I propose to take the following line in that debate:

- a) The Burnham machinery broke down. It is discredited. It is being temporarily replaced by the Interim Advisory Committee.
- b) It will be for the Interim Advisory Committee to advise on the April 1988 pay settlement. It will be composed of independent minded people. The whole Committee will be appointed by the summer. It will consult the employers and the unions.
- c) The Government wants an effective and permanent machinery for settling teachers' pay in which the interests of all parties will be recognised. The Government will work towards trying to reach an agreement involving all the parties in time for legislation to be enacted so that new machinery is in place for the April 1989 pay settlement.
- d) To that end the Government will circulate a consultation document by the end of the summer term setting out the key issues and a variety of alternative possible solutions. These will include a statutory negotiating committee, non-statutory negotiations, and other options such as the development of the interim advisory committee machinery. It will also examine suggestions for separate arrangements for heads and deputy heads.
- e) The Government will then enter into consultation

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with all the interests in the autumn to try to reach agreement.

I then envisage writing to all head teachers before the end of next week telling them of our intentions and making clear that the Government does not want to be the determiner of teachers' pay and conditions. I shall explain to them and their staff that the unions will be fully consulted by both the interim advisory committee and by me before the April 1988 determination is made - it is therefore not true that the unions will have no part in the process. It will of course be necessary to ensure that the letter is limited to a factual exposition of the Government's intention.

I think it will be important over the next few weeks not to prejudge the outcome of consultation on the Consultative Document by saying that we will restore "negotiating rights". "Negotiations" as the unions understand them may not prove to be the best long-term solution.

I understand that a meeting is being called for Thursday to discuss these proposals.

I am copying this minute to Willie Whitelaw, Nigel Lawson, Nicholas Edwards, Norman Tebbit, David Young, Malcolm Rifkind and Sir Robert Armstrong.

KB

28 April 1987

Department of Education and Science

CONFIDENTIAL



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

PRIME MINISTER

INTERIM ADVISORY COMMITTEE ON TEACHERS' PAY

I have seen Kenneth Baker's minute to you of 23 April. *at trap*

I believe that it is important that the members should be seen to be non-partisan, independent and of stature. Peter Main clearly satisfies these criteria, but I am concerned about the other names mentioned. Our experience with Austin Bide at BL does not encourage me, while Ray Carter, in addition to the problem of his Labour Party background, is not sufficiently heavy weight. Nicky Harrison is a Labour Party activist (of considerable charm) who was a key figure in Burnham and seems moderate only by comparison with her successors. If other names are to be sought for the Committee, I would be glad to suggest some.

She is a former Times girl.

More generally, I am sure that we should keep the resources in support of the Interim Committee to a minimum cost. There is no need for the Committee to involve itself in elaborate research for what should essentially be an up-dating exercise. But I have strong reservations about the secretariat's being provided by DES officials, particularly if they would be continuing their official duties concurrently. That might give rise to questions of independence of the interim committee. To use the OME might be more acceptable on what count, but might carry the flavour that the interim Committee was yet another Pay Review Body. I therefore conclude that we should consider giving the committee a small independent secretariat on short-term contracts. I suggest that officials look at this possibility, and at the total costs of the Interim Committee.

APPOINTMENTS IN CONFIDENCE



I am content with the general outline set out in paragraphs 9 and 10 of Kenneth's minute, but should be grateful to have a chance to comment on the precise terms of the statement and letter of appointment and/or terms of reference.

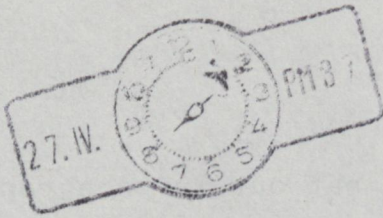
Finally, the appointment of the Interim Committee will not prevent the teachers' unions complaining about the loss of their negotiating rights, which is now a major point in their campaign. We need to return fairly soon to the issue of how teachers' pay is to be determined in the longer term.

A handwritten signature in dark ink, appearing to be 'N.L.' with a flourish.

N.L.

27 April 1987

EDUCATION: Teachers' Pay PTD



010

CC/BG



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

The Rt Hon Kenneth Clarke MP
Paymaster General
Department of Employment
Caxton House
Tothill Street
LONDON SW1H 9NF

NBM.

27 April 1987

TEACHERS' PAY AND CONDITIONS ACT 1987 : COMPLAINTS TO THE ILO

Thank you for your letter of 21 April. I am content for you to write as drafted to the ILO. As the first Order to be made under the Teachers' Pay and Conditions Act 1987 is likely to be debated in Parliament early in the week beginning 4 May I think it would be preferable if the letter is not despatched until just after that debate.

WILL REQUEST IF REQUIRED

Copies of this letter go to other members of MISC 122, to Geoffrey Howe and to Sir Robert Armstrong.



Chancellor of the Duchy of Lancaster

 CABINET OFFICE,
 WHITEHALL, LONDON SW1A 2AS

 Tel No: 270 0020
 270 0296
28th April 1987
 The Rt Hon Kenneth Baker MP
 Secretary of State for Education and
 Science
 Department of Education and Science
 Elizabeth House
 York Road
 LONDON
 SE1 7PH

| CH/EXCHEQUER | |
|--------------|---|
| REC. | 29 APR 1987 ✓ 29/4 |
| BY | MR HALLIGAN |
| COPIES TO | CST EST EST MST MR KEMP MR GILHOOLY MR CROPPER MR TYRRE MR ROSS COBBEL |

D Kemp H.

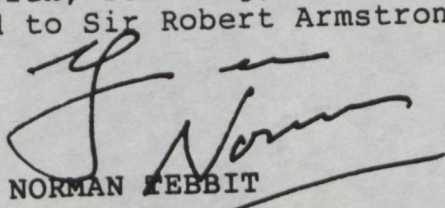
INTERIM ADVISORY COMMITTEE ON TEACHERS' PAY

Thank you for sending me a copy of your minute of 23 April to the Prime Minister. I have since seen Nigel Lawson's minute of 27 April.

I am generally concerned that your approach to a choice of members is at odds with our wish for an independent Committee. "Independent", in this context, should not only mean independent from us. It should also mean that those concerned are not, in any sense, representatives of particular groups. Your minute, however, suggested members who are variously drawn from those associated with Labour, the 'Alliance', trades unions, industry, local government, and the headteachers. It all seems much too dependent on client groups to me. We want a Committee which will pull together in looking critically at the evidence of what is needed on teachers' pay, not a forum in which predictable strands of political opinion are brought into a consensus.

I should add my comments on the individuals you suggested. Peter Main would make a most suitable Chairman, but I would not regard Austin Bidē as a suitable second choice for this job. I would suggest you might consider, first, Sir Edwin Nixon and, secondly, Sir Kenneth Corfield (with both of whom you are familiar). I share Nigel's reservations concerning Ray Carter; and as regards Nicky Harrison, one must wonder whether it is wise to have as a member of this Committee someone who was formerly so prominent in the Burnham structure.

I am sending a copy of this letter to Willie Whitelaw, Nigel Lawson, Nicholas Edwards, John Biffen, Tom King, David Young, Malcolm Rifkind, John Wakeham, and to Sir Robert Armstrong.


 NORMAN TEBBIT

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cc B/S
cc B/yp

PRIME MINISTER

INTERIM ADVISORY COMMITTEE ON SCHOOL TEACHERS' PAY AND CONDITIONS OF EMPLOYMENT

1. Your Private Secretary's letter of 2 April recorded your agreement that I should be ready to announce the names of the Chairman and Deputy Chairman of the Interim Advisory Committee on Teachers' Pay and Condition of Employment soon after Easter. *attap*

2. My first choice as Chairman is Sir Peter Main. His report on arrangements in Scotland last year set out a clear structure for the teaching profession which we have been able to use as the framework in England and Wales. As he lives on Speyside he may well not be willing to take on this responsibility but I would like to try and persuade him. My second choice is Sir Austin Bide. He has wide experience as a Chairman, a strong commitment to education, and a very considerable record of practical achievement.

3. I regard the appointment of the Deputy Chairman as particularly important. We have emphasised that the Interim Advisory Committee will be composed of independent minded people. It has clearly helped to ensure the credibility of the BBC at a difficult time and to make necessary changes in personnel and policies, to have Joel Barnett as Vice-Chairman of the Board of Governors. My preference would be for a responsible and realistic Deputy Chairman whose political allegiance is not to the Conservative Party.

4. My first choice as Deputy Chairman is Ray Carter, a director of the Marathon Oil Company's UK subsidiary, and also a Trustee of the Natural History Museum, which has recently successfully introduced charging. He was Labour MP for Birmingham Northfield from 1970-1979. He had ministerial experience in the Northern Ireland Office including responsibilities for education. Since 1979 he has stayed within the Labour Party (just): he would be independent minded and would not take any instructions from Walworth Road. He really wants UK Ltd to succeed and will do what he can to that end without regard to political advantage.

5. My second choice as Deputy Chairman is Nicky Harrison. She has long experience of education having been Labour Chairman of the Haringey Education Committee until ousted by the Left. She led the local authority associations in many meetings with Keith Joseph who had a high regard for her.

6. There is undoubtedly a risk in appointing people whose background is of another political party. But I believe it essential that we take that risk. My confidence in Ray Carter is such that if

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neither Sir Peter Main nor Sir Austin Bide were willing to be Chairman, I would be perfectly happy to see him as Chairman of the Committee.

7. I envisage an overall membership of about 7 (the maximum in the Act is 9). I would expect to appoint the other members during the summer. I will want to include people such as a recently retired head teacher, someone with experience of local government, an industrialist, a trade unionist and someone associated with one of the Alliance parties. The Teachers' Pay and Conditions Act enables me to pay members of the Committee. I do not propose as a matter of course that they will be paid but it may well be necessary to offer an honorarium in one or two cases to get the people we need.

8. I think the Committee should be serviced from the DES (just as the main Committee was by SED). The alternative would be for the secretariat to be provided by the Office of Manpower Economics. I judge that servicing from DES is preferable: the Committee has only limited life, and staff time can be deployed more flexibly within the DES for periods when the secretariat is not fully engaged on work for the Committee. On this basis I think that the additional staffing necessary to service the Committee from DES should be about half what the OME would normally need for an entirely free-standing unit.

9. I shall need to give a general outline to any prospective Chairman or Deputy Chairman of the work of the Committee. I will make clear that its first major task will relate to the April 1988 pay settlement. Recommendations about pay levels for April 1988 will need to be made against the background of decisions already taken this year about pay structure and incentive allowances. So far as conditions of employment are concerned I shall emphasise that the essential structure set out in the Order now laid before Parliament must stand, while acknowledging that there may well need to be limited modifications in response to practical experience of the new conditions of employment.

10. I shall inevitably be asked about the financial constraints within which the Committee will be working. Clearly we must not prescribe a remit which the general public would regard as unduly restrictive: that would only play into the hands of our opponents in the NUT and NAS/UWT. On the other hand the Committee must be made aware of the financial background. For the time being I propose simply to say that we shall be setting the remit for the Committee in the light of decisions yet to be taken about the 1988-89 rate support grant settlement.

11. I should be grateful to know as soon as possible whether colleagues have any reservations about my proposals prior to my approaching my first and second choice for Chairman and Deputy Chairman.

12. This minute is copied to Nigel Lawson, Willie Whitelaw, David Young, Malcolm Rifkind, Nicholas Edwards, Tom King, Norman Tebbit, John Biffen and John Wakeham and to Sir Robert Armstrong.

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EDUCATION: Teachers' Pay RT10

INTERNATIONAL

POST OFFICE



THE GOVERNMENT'S PROPOSALS ON SCHOOL TEACHERS' PAY AND CONDITIONS OF EMPLOYMENT: MARCH 1987

1. The Government's proposals are made following the passage of the Teachers' Pay and Conditions Bill. The Secretary of State for Education and Science is now consulting the local authority associations, the teacher unions and representatives of voluntary school interests about these proposals. Following that consultation he will proceed quickly to lay an order before Parliament so that teachers can receive their back pay due from 1 January.

2. The Government recognises the need for a well-paid and well-motivated teaching force. The proposals will give teachers in England and Wales an average pay increase of 16.4% during 1987. Half will be backdated to 1 January and the rest will be paid from 1 October. Teachers will then have received an average pay increase of 25% over the 18 months from March 1986.

3. The proposals include a single basic scale for teachers other than heads and deputies, with 11 points running from £7600 to £13300. The good honours graduates would enter at £8500 and rise through 7 annual increments to £13300. That is an increase of 26 per cent over what such a teacher could now expect without promotion, and would be reached in a shorter time. The figure of £13300 is £600 higher than the £12700 proposed by the Secretary of State last October.

4. A new structure of incentive allowances would enhance teachers' career prospects and provide just rewards for able and dedicated teachers. There would be five levels of allowance varying from £500 to £4200 a year. Teachers currently on Scale 3, Scale 4 and the Senior Teacher Scale would be guaranteed allowances of £1000, £3000 and £4200 respectively from October 1987. The number of allowances would increase over 3 years from the 105,000 now on those 3 scales to 165,000 by 1990. In the course of a full career 85 per cent of teachers could expect at least one promotion. Allowances would be awarded for one or more of the following factors: responsibilities beyond those common to the majority of teachers; outstanding

classroom teaching; shortage skills; or recruitment to posts difficult to fill.

5. Head teachers and deputy heads would be paid salaries varying with the size of school. These salaries would provide adequate differentials to recognise the vital role of heads and deputies. Heads of the largest secondary schools would be paid £30,500 as compared with £26,259 now.

6. The proposals also cover special schools. In recognition of the distinctive position of teachers in special schools they would enjoy a £1000 salary advantage over their counterparts in ordinary schools. Heads' and deputies' salaries would be linked to those of heads and deputies in ordinary schools with larger numbers of pupils.

7. The proposals would incorporate into teachers' contracts of employment provisions related to working time and to duties. A teacher would be required to work on not more than 195 days a year, of which 5 days would be beyond the pupil year and could be used for such activities as curriculum development or in-service training. A teacher could be required to work for up to 1265 hours during the 195 days on specified tasks at the reasonable direction of the head teacher. Teachers would also work such additional hours at a time and place of their own choosing as may be needed to discharge their professional duties.

8. The prescribed duties for teachers other than heads would cover the following areas. The duties which an individual teacher will be required to undertake will depend on the type of school and the role of the teacher: individual teachers will not all be required to undertake all these duties

*Planning and preparing courses and lessons, in collaboration as necessary with other teachers.

*Teaching pupils according to their educational needs, including setting and marking work carried out by them in school and elsewhere.

*Recording and reporting on educational and other aspects

of pupils' progress.

*The pastoral care of pupils, including discipline, health and safety, and such guidance and advice on their personal, social and educational development as the individual teacher is able to give.

*Professional development as teachers, including periodic review of their own methods and programmes of work, participation in further training and participation in arrangements, within an agreed national framework, for the appraisal of their own and other teachers' performance.

*Supervising and so far as practicable teaching pupils whose teacher is absent. Unless a teacher is employed as a supply teacher or is timetabled to undertake specific duties for less than 75% of the school week, or no supply teacher is available, he or she will not normally be required to cover after the absent teacher has been away from school for 3 days; nor to cover for a planned absence of more than 3 days.

*Preparing and presenting pupils for and supervising them at public examinations; and assessing pupils for the purposes of such examinations.

*Taking part in the management and administration of the school in accordance with their specific responsibilities for class, curriculum, pastoral and other matters.

9. The above is a summary of the duties to be incorporated into teachers' contracts of employment. A separate list of duties defining the role of the head would be incorporated into heads' contracts of employment.

10. The Secretary of State believes that his proposals are good for education. They will provide salary levels and a career structure that should recruit, retain and motivate teachers. They will provide a clear definition of a teacher's job, which must be in the interests of teachers, of those they teach and their parents.

MACHINERY FOR DETERMINING SCHOOL TEACHERS' PAY AND CONDITIONS

Quotations from speeches by the Secretary of State in the debate on 26 February on 'Commons Consideration of Lords Amendments'

Under the Act an Interim Advisory Committee will be established which will examine and report on matters concerning school teachers' pay and conditions of employment referred to it by the Secretary of State. The Secretary of State said:

"I assure the House that I shall appoint independent minded members to the Interim Advisory Committee, as I have done with bodies such as the University Grants Committee, which performs a controversial task without evidence of political bias."

Following reports of the Interim Advisory Committee there will be consultations with the interested parties. This process will be taken very seriously. The Secretary of State said:

"I have not personally been part of the Burnham proceedings but I am willing to give a commitment that Ministers will see the relevant local authority associations, teacher unions and organisations representing the governors of voluntary schools to discuss reports from the Interim Advisory Committee. I am very willing to become directly involved in the consultations required under the Act which will inevitably have the character of negotiations."

The arrangements under the Act are interim. On this point, the Secretary of State said:

"I have made it clear, and I stress this, that the Interim Advisory Committee is just that - an Interim Advisory Committee. The Government does not look upon it as a permanent solution."

PAY STRUCTURE PROPOSED FOR OCTOBER 1987

TEACHERS' BASIC SCALE

| <u>£</u> | <u>Entry points for</u> |
|----------|-------------------------|
| 7,600 | non-graduates |
| 7,900 | graduates |
| 8,200 | |
| 8,500 | good honours graduates |
| 9,200 | |
| 10,000 | |
| 10,600 | |
| 11,200 | |
| 11,850 | |
| 12,600 | |
| 13,300 | |

FIVE INCENTIVE ALLOWANCES*

| |
|-------|
| 500 |
| 1,000 |
| 2,000 |
| 3,000 |
| 4,200 |

DEPUTY HEAD TEACHERS

Salaries will range from £14,750 to £22,250 according to size of school.

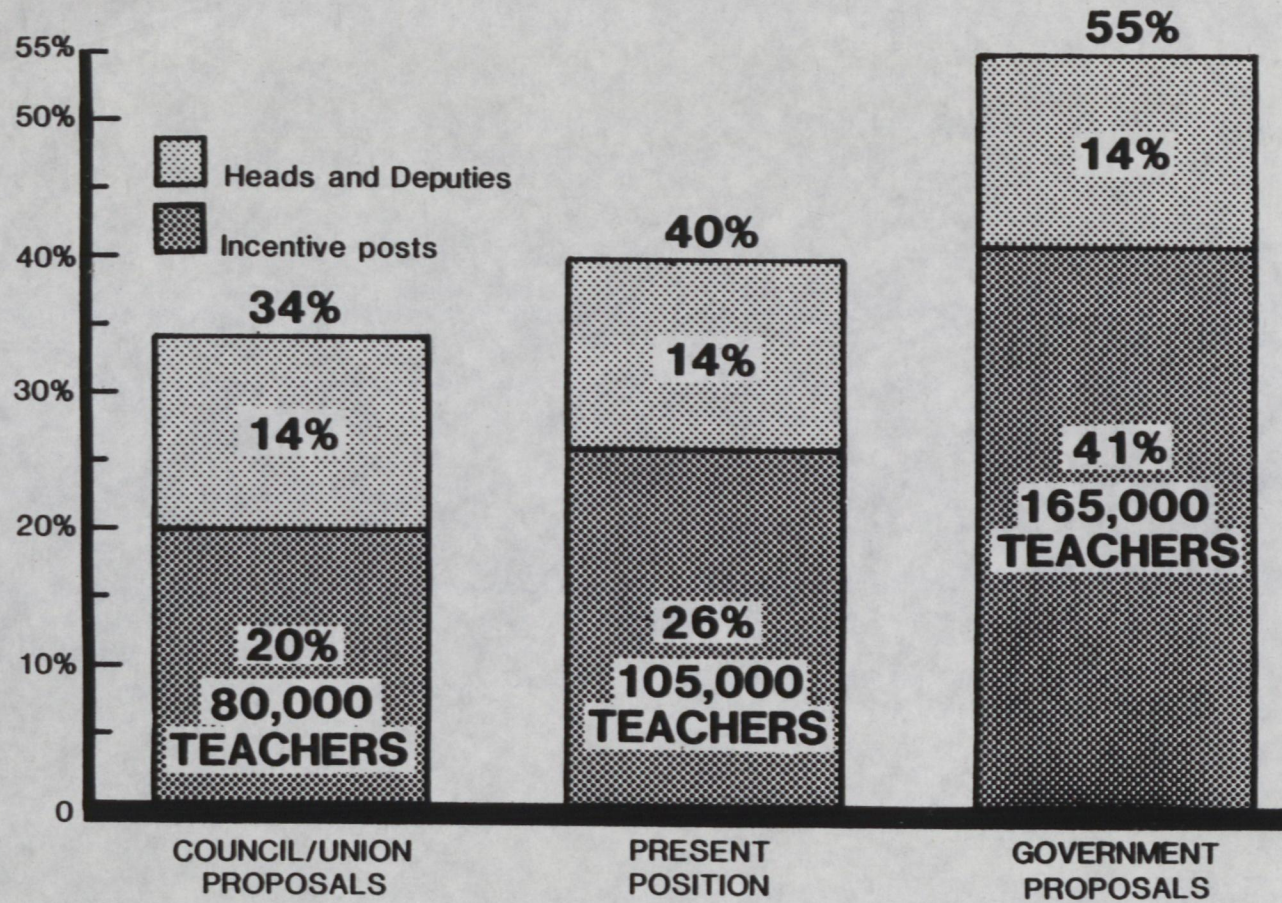
HEAD TEACHERS

Salaries will range from £15,500 to £30,500 according to size of school.

*NOTE

These allowances would be available, on top of the basic salary scale, to teachers for one or more of the following reasons - additional responsibility, outstanding classroom performance, shortage skills, recruitment to posts difficult to fill. Teachers now on Scale 3, Scale 4 and the Senior Teacher Scale will automatically receive allowances of £1,000, £3,000 and £4,200 respectively.

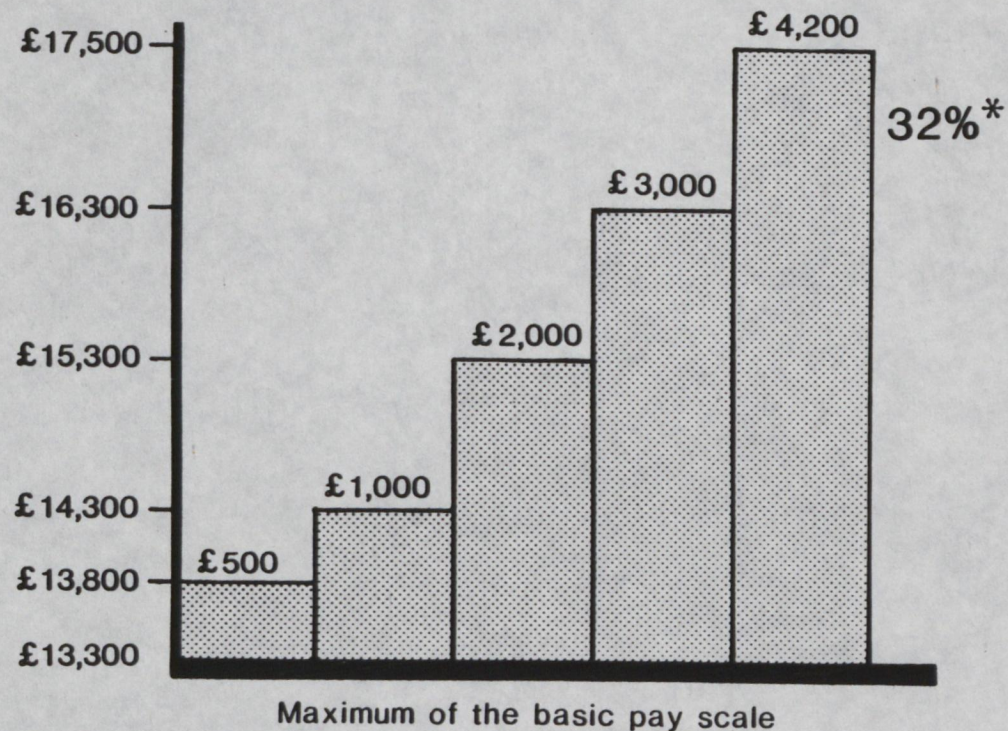
**PROPORTION OF TEACHERS:
HEADS, DEPUTIES and INCENTIVE POST HOLDERS**



TWO APPROACHES TO REWARDING AND MOTIVATING THE TEACHING PROFESSION

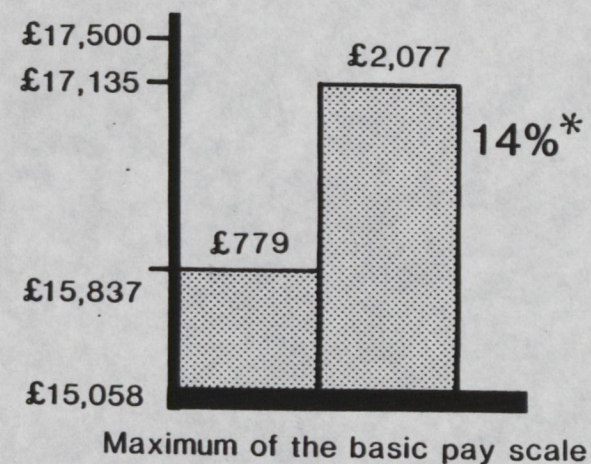
GOVERNMENT PROPOSALS

Five incentive allowances available for 165,000 teachers



COUNCIL/UNION PROPOSALS

Two responsibility allowances available for 80,000 teachers



* Under the Government's proposals the incentive allowances range from 4% to 32% above the scale maximum. Under the Council/Union proposals they range from 5% to 14%.

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SCHOOL TEACHERS' PAY AND CONDITIONS OF EMPLOYMENT

THE GOVERNMENT'S PROPOSALS

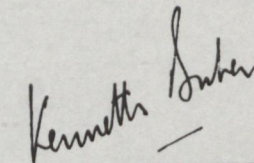
MARCH 1987

FOREWORD

The purpose of this booklet is to set out the Government's proposals for pay increases for school teachers in 1987 and for the conditions of employment which will become part of contracts of employment.

The Government's intention is that school teachers should receive an average increase of 16.4% in 1987. Tables within the booklet should enable an individual teacher to identify his or her salary with effect from 1 January, 1 September, if they are entitled to an increment, and 1 October. The proposals on duties and working time set out in the booklet are based closely on the ACAS proposals.

We are now starting consultations with organisations representing local education authorities, teachers and the governors of voluntary schools. Comments have been requested by 23 March on a draft Order giving effect to the 1 January element of the pay increase and the incorporation of the conditions of employment into contracts. The intention is to lay this Order before Parliament before the Easter recess so that teachers can receive their back pay without delay.



KENNETH BAKER
Secretary of State
for Education and Science

2 March 1987

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| Scale 2 | B 4 |
| Scale 3 | C 5 |
| Scale 4 | D 5 |
| Senior Teacher | E 6 |
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PAY

1. The Government proposes that from 1 October 1987 there should be a single **basic scale** for teachers other than heads or deputies, with 11 points running from £7,600 to £13,300. Graduates would enter at £7,900 and good honours graduates at £8,500. **Heads and deputies** would be paid on spot salaries according to the size of school. The new structure is presented on page 2.
2. There would be 5 **incentive allowances** ranging from £500 to £4,200. Allowances would be paid in recognition of one or more of the following factors: responsibilities beyond those common to the majority of teachers; outstanding classroom teaching; shortage skills; or recruitment to posts difficult to fill.
3. Initially, allowances would be distributed as follows. From 1 October 1987 **an allowance of £1,000 would be paid to all teachers now on Scale 3; an allowance of £3,000 to all teachers now on Scale 4; and an allowance of £4,200 to all Senior Teachers.** In addition, some 25,000 allowances of £500 would be available for teachers selected for promotion from Scale 2 or Scale 1. The number of teachers holding incentive allowances would then increase to 165,000 by September 1990. The proposals for incentive allowances are on pages 2 and 3.
4. Details of the continuing arrangements for **London Allowance and other allowances** are on page 3.
5. The new salaries would be paid in full from 1 October 1987. Salaries backdated to 1 January 1987 would be half-way between current rates and the new rates. Details of the **assimilation arrangements from current scales for teachers in ordinary schools** are on pages 4 to 7. These take into account the normal incremental award at 1 September for teachers who are not on the top of the current scales.
6. The proposals for **special schools** are designed to introduce the same basic structure as for ordinary schools, thereby facilitating movement of staff between the sectors, while at the same time continuing to recognise the distinctive position of teachers in special schools. The proposals provide a £1,000 advantage at October 1987 for Scale 1, Scale 2(S) and Scale 3(S) teachers over Scale 1, Scale 2 and Scale 3 teachers respectively in ordinary schools. Heads' and deputies' salaries would be linked to the ordinary school group one larger, so that Group 3(S) is equated to Group 4, Group 7(S) to Group 8, and so on. Details of the **assimilation arrangements for teachers in special schools** are on pages 8 to 10.
7. Teachers on safeguarded salaries would be treated for assimilation purposes like other teachers, ie the safeguarding would continue.

8. For **unqualified teachers**, spot salaries would replace Scales B and C and Scale A as regards student teachers. A new scale would be created for instructors which consolidates their present basic salary and discretionary allowances. Details are on page 11.

CONDITIONS OF EMPLOYMENT

9. The Government proposes to incorporate by order into teachers' contracts of employment provisions relating to duties and hours. Teachers would carry out their **professional duties** under the reasonable direction of the head teacher. The proposed provisions on teachers' duties and working time are on pages 12 and 13. The duties which an individual teacher would be required to undertake would depend on the type of school and the role of the teacher; individual teachers will not all be required to undertake all these duties.
10. The proposed conditions of employment for **head teachers** are on pages 14 and 15, and for **deputy heads** on page 16.
11. The Government proposes to incorporate provisions that:
 - a teacher may be required to work on not more than **195 days a year**, of which **190 days** shall be days on which he or she may be required to teach pupils;
 - a teacher may be required to work for **up to 1,265 hours a year** at specified times and places at the direction of the head teacher;
 - a teacher may not be required to undertake **midday supervision**, and shall be entitled to a break of reasonable length during the school day;
 - unless employed as a supply teacher, or timetabled to undertake specific duties for less than 75% of the school week, or if no supply teacher is available, a teacher would not normally be required to **cover for an absent colleague** after the absent teacher has been away from school for 3 days; nor to cover for a planned absence of more than 3 days.
 - a teacher will work **such additional hours as may be necessary** to discharge his or her professional duties: teachers will decide when and where to undertake such work.

THE PROPOSED PAY STRUCTURE FROM 1 OCTOBER 1987

TEACHERS

OTHER THAN HEADS AND DEPUTIES

BASIC SCALE

| | |
|------------------|--|
| Scale | |
| £ | |
| 7,600 | Entry point for non-graduates |
| 7,900 | Entry point for graduates |
| 8,200 | |
| 8,500 | Entry point for good honours graduates |
| 9,200 | |
| 10,000 | |
| 10,600 | |
| 11,200 | |
| 11,850 | |
| 12,600 (12,800)* | |
| 13,300 | |

Progression up the scale is by annual increments on 1 September.

*Teachers on Point 12 of Scale 2 at 30 September 1987 would be paid £12,800 from 1 October 1987.

FIVE INCENTIVE ALLOWANCES

| | |
|------------------|-----------------------------|
| Ordinary Schools | Special Schools and Classes |
| £500 | £1,000 |
| £1,000 | £2,000 |
| £2,000 | £3,000 |
| £3,000 | £4,200 |
| £4,200 | |

HEADS AND DEPUTIES

SPOT SALARIES

| DEPUTIES | | HEADS | |
|--------------|--------|--------------|--------|
| SCHOOL GROUP | £ | SCHOOL GROUP | £ |
| | | 1 | 15,500 |
| | | 2 | 16,000 |
| Below 4 | 14,750 | 3 | 16,500 |
| 4 and 3(S) | 15,000 | 4 and 3(S) | 17,000 |
| 5 and 4(S) | 15,375 | 5 and 4(S) | 17,750 |
| 6 and 5(S) | 15,750 | 6 and 5(S) | 19,000 |
| 7 and 6(S) | 16,250 | 7 and 6(S) | 20,000 |
| 8 and 7(S) | 17,000 | 8 and 7(S) | 21,250 |
| 9 and 8(S) | 18,000 | 9 and 8(S) | 22,750 |
| 10 and 9(S) | 19,000 | 10 and 9(S) | 24,250 |
| 11 and 10(S) | 19,750 | 11 and 10(S) | 26,000 |
| 12 | 20,750 | 12 | 27,750 |
| 13 | 21,500 | 13 | 29,000 |
| 14 | 22,250 | 14 | 30,500 |

THE PROPOSED PAY STRUCTURE FROM 1 OCTOBER 1987

OTHER ALLOWANCES

- London allowance of £1,215 (Inner), £795 (Outer) or £309 (Fringe) has been agreed to run with effect from 1 July 1986.
- Social priority allowances would remain at the levels at which they have been since the mid 1970s.
- The allowance for unqualified teachers in special schools would rise from £579 to £627 from January 1987 and to £675 in October 1987. For those in receipt of a higher allowance of £774 this would rise to £837 from January 1987 and £900 in October 1987.
- The arrangements whereby qualified teachers of the blind and partially sighted or deaf and partially hearing proceed by one increment beyond the maximum of their scales would be discontinued. Such teachers would revert to the normal maximum of their scale and would instead receive an allowance of £462 from January 1987 and £500 from October 1987 (in addition to whatever other allowances they may be receiving).
- The allowance of £591 for unqualified teachers undertaking special responsibilities would rise to £639 from January 1987 and £687 from October 1987.

NUMBER OF INCENTIVE ALLOWANCES

Shown below are approximate numbers of teachers with incentive allowances in **ordinary schools** in October 1987 and in September 1990. Progression from one to the other would be by 3 equal steps at September 1988, September 1989 and September 1990. During this period primary teacher numbers are forecast to rise and secondary numbers to fall: the estimated numbers of incentive allowances in each sector at September 1990 take account of these movements.

| | Primary | |
|---------------|--------------|----------------|
| | OCTOBER 1987 | SEPTEMBER 1990 |
| £2,000 | — | 4,000 |
| £1,000 | 16,000 | 17,000 |
| £500 | 14,000 | 34,000 |
| | 30,000 | 55,000 |
| | Secondary | |
| | OCTOBER 1987 | SEPTEMBER 1990 |
| £4,200 | 6,500 | 11,000 |
| £3,000 | 28,500 | 24,000 |
| £2,000 | — | 24,000 |
| £1,000 | 53,000 | 24,000 |
| £500 | 11,000 | 27,000 |
| | 99,000 | 110,000 |
| Grand Totals: | 129,000 | 165,000 |

In **special schools** there are about 1,500 teachers on Scale 3(S) or the Senior Teacher scale. The available resources would allow by 1990 a further 1,500 promotions, from the £1,000 basic special school allowance to the £2,000 allowance, or from £2,000 to £3,000 or through to £4,200.

The Government will make finance available for this expansion of incentive allowances and will lay down rules about the range of allowances to be available in different sizes of school.

ASSIMILATION

Assimilation arrangements for individual teachers

ORDINARY SCHOOLS

Table A QUALIFIED TEACHERS CURRENTLY ON SCALE 1*

| Scale point | Current salary | Salary at 1 January 1987 | Salary at 1 September 1987 | Salary at 1 October 1987 |
|-------------|----------------|--------------------------|----------------------------|--------------------------|
| 0 | 6,423 | 7,011 | 7,149 | 7,600 |
| 1 | 6,696 | 7,149 | 7,251 | 7,600 |
| 2 | 6,900 | 7,251 | 7,503 | 7,900 |
| 3 | 7,107 | 7,503 | 7,602 | 7,900 |
| 4 | 7,302 | 7,602 | 7,881 | 8,200 |
| 5 | 7,560 | 7,881 | 8,163 | 8,500 |
| 6 | 7,824 | 8,163 | 8,643 | 9,200 |
| 7 | 8,085 | 8,643 | 8,781 | 9,200 |
| 8 | 8,364 | 8,781 | 9,318 | 10,000 |
| 9 | 8,637 | 9,318 | 9,456 | 10,000 |
| 10 | 8,910 | 9,456 | 9,903 | 10,600 |
| 11 | 9,204 | 9,903 | 10,050 | 10,600 |
| 12 | 9,501 | 10,050 | 10,503 | 11,200 |
| 13 | 9,804 | 10,503 | 10,503 | 11,200 |
| | | | (10,686) | (11,200) |
| 14 | (10,170) | (10,686) | (11,193) | (11,850) |
| 15 | (10,533) | (11,193) | (11,193) | (11,850) |

*Teachers currently on Scale 1 in Special Schools or with Special Classes please see Table H.

Table B QUALIFIED TEACHERS CURRENTLY ON SCALE 2*

| Scale point | Current salary | Salary at 1 January 1987 | Salary at 1 September 1987 | Salary at 1 October 1987 |
|-------------|----------------|--------------------------|----------------------------|--------------------------|
| 0 | 7,302 | 7,602 | 7,881 | 8,200 |
| 1 | 7,560 | 7,881 | 8,163 | 8,500 |
| 2 | 7,824 | 8,163 | 8,643 | 9,200 |
| 3 | 8,085 | 8,643 | 8,781 | 9,200 |
| 4 | 8,364 | 8,781 | 9,318 | 10,000 |
| 5 | 8,637 | 9,318 | 9,456 | 10,000 |
| 6 | 8,910 | 9,456 | 9,903 | 10,600 |
| 7 | 9,204 | 9,903 | 10,050 | 10,600 |
| 8 | 9,501 | 10,050 | 10,503 | 11,200 |
| 9 | 9,804 | 10,503 | 10,686 | 11,200 |
| 10 | 10,170 | 10,686 | 11,193 | 11,850 |
| 11 | 10,533 | 11,193 | 11,892 | 12,800 |
| 12 | 10,986 | 11,892 | 11,892 | 12,800 |

Teachers who were paid a personal salary of £3,609 per annum on 31 March 1975 as good honours graduates on Scale 2 under the provisions of Appendix 1 to the 1974 Primary and Secondary Salaries Document would be paid a personal salary of £12,324 per annum from 1 January 1987 and from 1 October 1987 would be paid a salary of £13,300.

*Teachers currently on Scale 2(S) please see Table I.

NOTES

1. The current levels of London allowance payable in addition to the salaries shown are £1,215 (Inner), £795 (Outer) or £309 (Fringe).
2. A further review of teachers' pay is due to take effect from 1 April 1988.
3. Teachers not on the top of an existing scale receive an increment at 1 September 1987. This is shown in the column headed 1 September, and the effect is taken into account in the salaries shown at 1 October 1987.
4. Figures in brackets relate to good honours graduates entitled to be paid on an extended scale.
5. Figures in the 1 January and 1 September columns are rounded to multiples of £3 as is traditional. Figures in the 1 October column are unrounded but would be rounded to a multiple of £3 before being paid.

NOTES

1. The current levels of London allowance payable in addition to the salaries shown are £1,215 (Inner), £795 (Outer) or £309 (Fringe).
2. A further review of teachers' pay is due to take effect from 1 April 1988.
3. Teachers not on the top of an existing scale receive an increment at 1 September 1987. This is shown in the column headed 1 September, and the effect is taken into account in the salaries shown at 1 October 1987.
4. Figures in the 1 January and 1 September columns are rounded to multiples of £3 as is traditional. Figures in the 1 October column are unrounded but would be rounded to a multiple of £3 before being paid.

Assimilation arrangements for individual teachers

Table C QUALIFIED TEACHERS CURRENTLY ON SCALE 3*

| Scale point | Current salary | Salary at 1 January 1987 | Salary at 1 September 1987 | Salary at 1 October 1987 | | |
|-------------|----------------|--------------------------|----------------------------|--------------------------|-----------|--------------|
| | | | | Basic Scale | Allowance | Total Salary |
| 0 | 8,910 | 9,954 | 10,401 | 10,600 | 1,000 | 11,600 |
| 1 | 9,204 | 10,401 | 10,551 | 10,600 | 1,000 | 11,600 |
| 2 | 9,501 | 10,551 | 11,001 | 11,200 | 1,000 | 12,200 |
| 3 | 9,804 | 11,001 | 11,184 | 11,200 | 1,000 | 12,200 |
| 4 | 10,170 | 11,184 | 11,691 | 11,850 | 1,000 | 12,850 |
| 5 | 10,533 | 11,691 | 12,294 | 12,600 | 1,000 | 13,600 |
| 6 | 10,986 | 12,294 | 12,825 | 13,300 | 1,000 | 14,300 |
| 7 | 11,349 | 12,825 | 13,038 | 13,300 | 1,000 | 14,300 |
| 8 | 11,778 | 13,038 | 13,251 | 13,300 | 1,000 | 14,300 |
| 9 | 12,201 | 13,251 | 13,464 | 13,300 | 1,000 | 14,300 |
| 10 | 12,627 | 13,464 | 13,464 | 13,300 | 1,000 | 14,300 |

*Teachers currently on Scale 3(S) please see Table J.

NOTES

1. The current levels of London allowance payable in addition to the salaries shown are £1,215 (Inner), £795 (Outer) or £309 (Fringe).
2. A further review of teachers' pay is due to take effect from 1 April 1988.
3. Teachers not on the top of an existing scale receive an increment at 1 September 1987. This is shown in the column headed 1 September, and the effect is taken into account in the salaries shown at 1 October 1987.
4. Figures in the 1 January and 1 September columns are rounded to multiples of £3 as is traditional. Figures in the 1 October column are unrounded but would be rounded to a multiple of £3 before being paid.

Table D QUALIFIED TEACHERS CURRENTLY ON SCALE 4

| Scale point | Current salary | Salary at 1 January 1987 | Salary at 1 September 1987 | Salary at 1 October 1987 | | |
|-------------|----------------|--------------------------|----------------------------|--------------------------|-----------|--------------|
| | | | | Basic Scale | Allowance | Total Salary |
| 0 | 10,533 | 12,693 | 13,293 | 12,600 | 3,000 | 15,600 |
| 1 | 10,986 | 13,293 | 13,824 | 13,300 | 3,000 | 16,300 |
| 2 | 11,349 | 13,824 | 14,040 | 13,300 | 3,000 | 16,300 |
| 3 | 11,778 | 14,040 | 14,250 | 13,300 | 3,000 | 16,300 |
| 4 | 12,201 | 14,250 | 14,463 | 13,300 | 3,000 | 16,300 |
| 5 | 12,627 | 14,463 | 14,676 | 13,300 | 3,000 | 16,300 |
| 6 | 13,053 | 14,676 | 14,979 | 13,300 | 3,000 | 16,300 |
| 7 | 13,656 | 14,979 | 15,225 | 13,300 | 3,000 | 16,300 |
| 8 | 14,151 | 15,225 | 15,225 | 13,300 | 3,000 | 16,300 |

NOTES

1. The current levels of London allowance payable in addition to the salaries shown are £1,215 (Inner), £795 (Outer) or £309 (Fringe).
2. A further review of teachers' pay is due to take effect from 1 April 1988.
3. Teachers not on the top of an existing scale receive an increment at 1 September 1987. This is shown in the column headed 1 September, and the effect is taken into account in the salaries shown at 1 October 1987.
4. Figures in the 1 January and 1 September columns are rounded to multiples of £3 as is traditional. Figures in the 1 October column are unrounded but would be rounded to a multiple of £3 before being paid.

Assimilation arrangements for individual teachers

QUALIFIED TEACHERS CURRENTLY ON THE SENIOR TEACHER SCALE*

Table E

| Scale point | Current salary | Salary at 1 January 1987 | Salary at 1 September 1987 | Salary at 1 October 1987 | | |
|-------------|----------------|--------------------------|----------------------------|--------------------------|-----------|--------------|
| | | | | Basic Scale | Allowance | Total Salary |
| 0 | 11,349 | 14,424 | 14,640 | 13,300 | 4,200 | 17,500 |
| 1 | 11,778 | 14,640 | 14,850 | 13,300 | 4,200 | 17,500 |
| 2 | 12,201 | 14,850 | 15,063 | 13,300 | 4,200 | 17,500 |
| 3 | 12,627 | 15,063 | 15,276 | 13,300 | 4,200 | 17,500 |
| 4 | 13,053 | 15,276 | 15,579 | 13,300 | 4,200 | 17,500 |
| 5 | 13,656 | 15,579 | 15,825 | 13,300 | 4,200 | 17,500 |
| 6 | 14,151 | 15,825 | 16,170 | 13,300 | 4,200 | 17,500 |
| 7 | 14,838 | 16,170 | 16,416 | 13,300 | 4,200 | 17,500 |
| 8 | 15,330 | 16,416 | 16,416 | 13,300 | 4,200 | 17,500 |

*This Table applies also to Senior Teachers in Special Schools.

NOTES

1. The current levels of London allowance payable in addition to the salaries shown are £1,215 (Inner), £795 (Outer) or £309 (Fringe).
2. A further review of teachers' pay is due to take effect from 1 April 1988.
3. Teachers not on the top of an existing scale receive an increment at 1 September 1987. This is shown in the column headed 1 September, and the effect is taken into account in the salaries shown at 1 October 1987.
4. Figures in the 1 January and 1 September columns are rounded to multiples of £3 as is traditional. Figures in the 1 October column are unrounded but would be rounded to a multiple of £3 before being paid.

Assimilation arrangements for individual teachers

DEPUTY HEAD TEACHERS*

Table F

| School group | Current maximum | 1 January 1987 | 1 October 1987 |
|--------------|-----------------|----------------|----------------|
| Below 4 | 11,163 | 12,957 | 14,750 |
| 4 | 12,000 | 13,500 | 15,000 |
| 5 | 12,846 | 14,112 | 15,375 |
| 6 | 13,179 | 14,466 | 15,750 |
| 7 | 13,878 | 15,063 | 16,250 |
| 8 | 14,517 | 15,759 | 17,000 |
| 9 | 15,288 | 16,644 | 18,000 |
| 10 | 16,185 | 17,592 | 19,000 |
| 11 | 16,929 | 18,339 | 19,750 |
| 12 | 17,820 | 19,284 | 20,750 |
| 13 | 18,324 | 19,911 | 21,500 |
| 14 | 19,104 | 20,676 | 22,250 |

*For Special Schools please see Table K.

HEAD TEACHERS*

Table G

| School group | Current maximum | 1 January 1987 | 1 October 1987 |
|--------------|-----------------|----------------|----------------|
| 1 | 12,195 | 13,848 | 15,500 |
| 2 | 12,675 | 14,337 | 16,000 |
| 3 | 13,203 | 14,853 | 16,500 |
| 4 | 14,175 | 15,588 | 17,000 |
| 5 | 15,243 | 16,497 | 17,750 |
| 6 | 16,236 | 17,619 | 19,000 |
| 7 | 17,148 | 18,573 | 20,000 |
| 8 | 18,273 | 19,761 | 21,250 |
| 9 | 19,587 | 21,168 | 22,750 |
| 10 | 20,766 | 22,509 | 24,250 |
| 11 | 22,332 | 24,165 | 26,000 |
| 12 | 23,700 | 25,725 | 27,750 |
| 13 | 24,903 | 26,952 | 29,000 |
| 14 | 26,259 | 28,380 | 30,500 |

*For Special Schools please see Table L.

NOTES

1. October 1987 salaries are spot salaries. Heads and deputies would receive them whatever their position on the current salary scale.
2. The current levels of London allowance payable in addition to the salaries shown are £1,215 (Inner), £795 (Outer) or £309 (Fringe).
3. A further review of teachers' pay is due to take effect from 1 April 1988.
4. The January 1987 salaries shown are for heads and deputies currently on top of scale. From 1 January 1987 heads and deputies not currently on top of scale will be paid salaries half-way between their present salaries and the spot salaries at 1 October 1987 shown above. From 1 September they will be paid salaries half-way between their present salaries plus one increment and the spot salaries at 1 October 1987 shown above.
Example: Head of a group 6 school on point 2 of scale. Current salary: £15,489. 1 January 1987: £17,244 (Half-way between £15,489 and £19,000) 1 September 1987: £17,433 (Half-way between £15,867 and £19,000) 1 October 1987: £19,000.
5. 1 January salaries are rounded to multiples of £3 as is traditional. 1 October salaries are unrounded but would be rounded to a multiple of £3 before being paid.

Assimilation arrangements for individual teachers

SPECIAL SCHOOLS

Table H QUALIFIED TEACHERS CURRENTLY ON SCALE 1 (SPECIAL SCHOOLS)

| Scale point | Current salary | Salary at 1 January 1987 | Salary at 1 September 1987 | Salary at 1 October 1987 |
|-------------|----------------|--------------------------|----------------------------|--------------------------|
| 0 | 6,423 | 7,011 | 7,149 | 7,600 |
| 1 | 6,696 | 7,149 | 7,251 | 7,600 |
| 2 | 6,900 | 7,251 | 7,503 | 7,900 |
| 3 | 7,107 | 7,503 | 7,602 | 7,900 |
| 4 | 7,302 | 7,602 | 7,881 | 8,200 |
| 5 | 7,560 | 7,881 | 8,163 | 8,500 |
| 6 | 7,824 | 8,163 | 8,643 | 9,200 |
| 7 | 8,085 | 8,643 | 8,781 | 9,200 |
| 8 | 8,364 | 8,781 | 9,318 | 10,000 |
| 9 | 8,637 | 9,318 | 9,456 | 10,000 |
| 10 | 8,910 | 9,456 | 9,903 | 10,600 |
| 11 | 9,204 | 9,903 | 10,050 | 10,600 |
| 12 | 9,501 | 10,050 | 10,503 | 11,200 |
| 13 | 9,804 | 10,503 | 10,503 | 11,200 |
| | | | (10,686) | (11,200) |
| 14 | (10,170) | (10,686) | (11,193) | (11,850) |
| 15 | (10,533) | (11,193) | (11,193) | (11,850) |

In addition, these teachers currently receive an allowance of £855. Future allowances would be as follows:

| | |
|----------------|--------|
| January 1987 | £927 |
| September 1987 | £927 |
| October 1987 | £1,000 |

Table I QUALIFIED TEACHERS CURRENTLY ON SCALE 2(S)

| Scale point | Current salary | Salary at 1 January 1987 | Salary at 1 September 1987 | Salary at 1 October 1987 | | |
|-------------|----------------|--------------------------|----------------------------|--------------------------|-----------|--------------|
| | | | | Basic Scale | Allowance | Total Salary |
| 0 | 8,085 | 8,493 | 8,781 | 8,200 | 1,000 | 9,200 |
| 1 | 8,364 | 8,781 | 9,069 | 8,500 | 1,000 | 9,500 |
| 2 | 8,637 | 9,069 | 9,555 | 9,200 | 1,000 | 10,200 |
| 3 | 8,910 | 9,555 | 9,702 | 9,200 | 1,000 | 10,200 |
| 4 | 9,204 | 9,702 | 10,251 | 10,000 | 1,000 | 11,000 |
| 5 | 9,501 | 10,251 | 10,401 | 10,000 | 1,000 | 11,000 |
| 6 | 9,804 | 10,401 | 10,884 | 10,600 | 1,000 | 11,600 |
| 7 | 10,170 | 10,884 | 11,367 | 11,200 | 1,000 | 12,200 |
| 8 | 10,533 | 11,367 | 11,592 | 11,200 | 1,000 | 12,200 |
| 9 | 10,986 | 11,592 | 12,099 | 11,850 | 1,000 | 12,850 |
| 10 | 11,349 | 12,099 | 12,789 | 12,800 | 1,000 | 13,800 |
| 11 | 11,778 | 12,789 | 12,789 | 12,800 | 1,000 | 13,800 |

Teachers who were paid a personal salary of £3,927 per annum on 31 March 1975 as good honours graduates on Scale 2(S) under the provisions of Appendix 1 to the 1974 Primary and Secondary Salaries Document would be paid a personal salary of £13,251 per annum from 1 January 1987 and from 1 October 1987 would be paid a basic scale salary of £13,300 plus £1,000 allowance, total £14,300.

Assimilation arrangements for individual teachers

Table J QUALIFIED TEACHERS CURRENTLY ON SCALE 3(S)

| Scale point | Current salary | Salary at 1 January 1987 | Salary at 1 September 1987 | Salary at 1 October 1987 | | |
|-------------|----------------|--------------------------|----------------------------|--------------------------|-----------|--------------|
| | | | | Basic Scale | Allowance | Total Salary |
| 0 | 9,804 | 10,902 | 11,385 | 10,600 | 2,000 | 12,600 |
| 1 | 10,170 | 11,385 | 11,868 | 11,200 | 2,000 | 13,200 |
| 2 | 10,533 | 11,868 | 12,093 | 11,200 | 2,000 | 13,200 |
| 3 | 10,986 | 12,093 | 12,600 | 11,850 | 2,000 | 13,850 |
| 4 | 11,349 | 12,600 | 13,188 | 12,600 | 2,000 | 14,600 |
| 5 | 11,778 | 13,188 | 13,752 | 13,300 | 2,000 | 15,300 |
| 6 | 12,201 | 13,752 | 13,965 | 13,300 | 2,000 | 15,300 |
| 7 | 12,627 | 13,965 | 14,178 | 13,300 | 2,000 | 15,300 |
| 8 | 13,053 | 14,178 | 14,478 | 13,300 | 2,000 | 15,300 |
| 9 | 13,656 | 14,478 | 14,478 | 13,300 | 2,000 | 15,300 |

NOTES

NOTES

1. The current levels of London allowance payable in addition to the salaries shown are £1,215 (Inner), £795 (Outer) or £309 (Fringe).
2. A further review of teachers' pay is due to take effect from 1 April 1988.
3. Teachers not on the top of an existing scale receive an increment at 1 September 1987. This is shown in the column headed 1 September, and the effect is taken into account in the salaries shown at 1 October 1987.
4. Figures in brackets relate to good honours graduates entitled to be paid on an extended scale.
5. Figures in the 1 January and 1 September columns are rounded to multiples of £3 as is traditional. Figures in the 1 October column are unrounded but would be rounded to a multiple of £3 before being paid.

NOTES

1. The current levels of London allowance payable in addition to the salaries shown are £1,215 (Inner), £795 (Outer) or £309 (Fringe).
2. A further review of teachers' pay is due to take effect from 1 April 1988.
3. Teachers not on the top of an existing scale receive an increment at 1 September 1987. This is shown in the column headed 1 September, and the effect is taken into account in the salaries shown at 1 October 1987.
4. Figures in the 1 January and 1 September columns are rounded to multiples of £3 as is traditional. Figures in the 1 October column are unrounded but would be rounded to a multiple of £3 before being paid.
5. The arrangements for Scale 2(S) and 3(S) are designed to assimilate them as for the equivalent points on Scale 2 and Scale 3, then give them an additional £1,000 allowance. Thus for example Point 2 of Scale 2(S) - current salary £8,637 - is treated like Point 2 of Scale 2 - current salary £7,824 - and then given a £1,000 allowance.

1. The current levels of London allowance payable in addition to the salaries shown are £1,215 (Inner), £795 (Outer) or £309 (Fringe).
2. A further review of teachers' pay is due to take effect from 1 April 1988.
3. Teachers not on the top of an existing scale receive an increment at 1 September 1987. This is shown in the column headed 1 September, and the effect is taken into account in the salaries shown at 1 October 1987.
4. Figures in the 1 January and 1 September columns are rounded to multiples of £3 as is traditional. Figures in the 1 October column are unrounded but would be rounded to a multiple of £3 before being paid.
5. The arrangements for Scale 2(S) and 3(S) are designed to assimilate them as for the equivalent points on Scale 2 and Scale 3, then give them an additional £1,000 allowance. Thus for example Point 2 of Scale 2(S) - current salary £8,637 - is treated like Point 2 of Scale 2 - current salary £7,824 - and then given a £1,000 allowance.

Assimilation arrangements for individual teachers

Table K DEPUTY HEAD TEACHERS: SPECIAL SCHOOLS

| School group | Current maximum | 1 January 1987 | 1 October 1987 |
|--------------|-----------------|----------------|----------------|
| 3(S) | 12,297 | 13,650 | 15,000 |
| 4(S) | 12,903 | 14,139 | 15,375 |
| 5(S) | 13,872 | 14,811 | 15,750 |
| 6(S) | 14,313 | 15,282 | 16,250 |
| 7(S) | 14,766 | 15,882 | 17,000 |
| 8(S) | 15,201 | 16,602 | 18,000 |
| 9(S) | 16,089 | 17,544 | 19,000 |
| 10(S) | 16,764 | 18,258 | 19,750 |

Table L HEAD TEACHERS: SPECIAL SCHOOLS

| School group | Current maximum | 1 January 1987 | 1 October 1987 |
|--------------|-----------------|----------------|----------------|
| 3(S) | 14,217 | 15,609 | 17,000 |
| 4(S) | 15,207 | 16,479 | 17,750 |
| 5(S) | 16,782 | 17,892 | 19,000 |
| 6(S) | 17,301 | 18,651 | 20,000 |
| 7(S) | 18,450 | 19,851 | 21,250 |
| 8(S) | 19,272 | 21,012 | 22,750 |
| 9(S) | 20,124 | 22,188 | 24,250 |
| 10(S) | 20,955 | 23,478 | 26,000 |

NOTES

1. October 1987 salaries are spot salaries. Heads and deputies would receive them whatever their position on the current salary scale.
2. The current levels of London allowance payable in addition to the salaries shown are £1,215 (Inner), £795 (Outer) or £309 (Fringe).
3. A further review of teachers' pay is due to take effect from 1 April 1988.
4. The January 1987 salaries shown are for heads and deputies currently on top of scale. From 1 January 1987 heads and deputies not currently on top of scale will be paid salaries half-way between their present salaries and the spot salaries at 1 October 1987 shown above. From 1 September they will be paid salaries half-way between their present salaries plus one increment and the spot salaries at 1 October 1987 shown above.
Example: Head of a group 6(S) school on point 2 of scale.
Current salary: £16,572.
1 January 1987: £18,285
(Half-way between £16,572 and £20,000)
1 September 1987: £18,465
(Half-way between £16,929 and £20,000)
1 October 1987: £20,000.
5. 1 January salaries are rounded to multiples of £3 as is traditional. 1 October salaries are unrounded but would be rounded to a multiple of £3 before being paid.

Assimilation arrangements for individual teachers

UNQUALIFIED TEACHERS

TEACHERS CURRENTLY ON SCALES A, B, & C

SCALE A

1. *Instructors.* A new scale would be created from 1 January 1987 and increased at each point by 8.2% from 1 October 1987. The scale is:

| January 1987 | October 1987 |
|--------------|--------------|
| £ | £ |
| 6,192 | 6,700 |
| 6,470 | 7,000 |
| 6,747 | 7,300 |
| 7,024 | 7,600 |
| 7,301 | 7,900 |
| 7,579 | 8,200 |
| 7,856 | 8,500 |
| 8,503 | 9,200 |
| 9,242 | 10,000 |
| 9,797 | 10,600 |

Assimilation would be as follows: consolidate existing Scale A payment with discretionary allowances (but not London Allowance or Social Priority Allowance); add £300; and assimilate to the next point up on the January scale. Subsequent progress up the scale would be by annual increments starting at 1 September 1988.

2. *Student Teachers.* Student teachers would be paid on spot salaries as follows:

| | |
|---|--------|
| student teachers awaiting admission to a course of initial teacher training | £4,701 |
| student teachers who have failed a course of initial teacher training and are retaking it | £5,700 |

These salaries come into effect at 1 January 1987 but student teachers now in employment at higher salaries would have those salaries safeguarded.

SCALE B

A spot salary of £7,300 would be paid from 1 October 1987. Salary from 1 January 1987 would be half-way between the existing scale point and £7,300. Where an increment is due on the existing scale at 1 September, salary from 1 September 1987 would be half-way between the next point up on the existing scale and £7,300.

SCALE C

A spot salary of £9,200 would be paid from 1 October 1987. Salary from 1 January 1987 would be half-way between the existing scale point and £9,200. Where an increment is due on the existing scale at 1 September, salary from 1 September 1987 would be half-way between the next point up on the existing scale and £9,200.

NOTE: Salaries from 1 October 1987 are quoted here in unrounded form but would be rounded to multiples of £3, as is traditional, before being paid.

PROPOSED CONDITIONS OF EMPLOYMENT

TEACHERS

Reproduced below are relevant extracts from the draft Order on which the Government is now consulting. These apply to teachers other than Head Teachers.

EXERCISE OF GENERAL PROFESSIONAL DUTIES

1. A teacher who is not a head teacher shall carry out the professional duties of a school teacher as circumstances may require –

- (a) if he is employed as a teacher in a school, under the reasonable direction of the head teacher of that school;
- (b) if he is employed by an authority on terms under which he is not assigned to any one school, under the reasonable direction of that authority and of the head teacher of any school in which he may for the time being be required to work as a teacher.

Assessments and reports

- (c) Making records of and reports on the personal and social needs of pupils.
- (d) Communicating and consulting with the parents of pupils.
- (e) Communicating and co-operating with persons or bodies outside the school.
- (f) Participating in meetings arranged for any of the purposes described above.

(3) Providing or contributing to oral and written assessments, reports and references relating to individual pupils and groups of pupils.

EXERCISE OF PARTICULAR DUTIES

2. (a) A teacher employed as a teacher (other than a head teacher) in a school shall perform, in accordance with any directions which may reasonably be given to him by the head teacher from time to time, such particular duties as may reasonably be assigned to him.

Appraisal

(4) Participating in any arrangements within an agreed national framework for the appraisal of his performance and that of other teachers.

(b) A teacher employed by an authority on terms such as those described in paragraph 1(b) above shall perform, in accordance with any direction which may reasonably be given to him from time to time by the authority or by the head teacher of any school in which he may for the time being be required to work as a teacher, such particular duties as may reasonably be assigned to him.

Review: Further training and development

- (5) (a) Reviewing from time to time his methods of teaching and programmes of work.
- (b) Participating in arrangements for his further training and professional development as a teacher.

Educational methods

(6) Advising and co-operating with the head teacher and other teachers (or any one or more of them) on the preparation and development of courses of study, teaching materials, teaching programmes, methods of teaching and assessment and pastoral arrangements.

PROFESSIONAL DUTIES

3. The following duties shall be deemed to be included in the professional duties which a school teacher may be required to perform –

- Teaching*
- (1) (a) Planning and preparing courses and lessons.
 - (b) Teaching, according to their educational needs, the pupils assigned to him, including the setting and marking of work to be carried out by the pupil in school and elsewhere.
 - (c) Assessing, recording and reporting on the development, progress and attainment of pupils.

Discipline, health and safety

(7) Maintaining good order and discipline among pupils and safeguarding their health and safety.

Staff meetings

(8) Participating in meetings at the school which relate to the curriculum for the school or the administration or organisation of the school, including pastoral arrangements.

Other activities

- (2) (a) Promoting the general progress and well-being of individual pupils and of any class or group of pupils assigned to him.
- (b) Providing guidance and advice to pupils on educational and social matters and on their further education and future careers including information about sources of more expert advice on specific questions; making relevant records and reports.

Cover

(9) Supervising and so far as practicable teaching any pupils whose teacher is absent:
Provided that no teacher shall be required to provide such cover –
(a) after the teacher who is absent has been absent for three or more consecutive working days; or

- (b) where the fact that the teacher would be absent for a period exceeding three consecutive working days was known to the maintaining authority not less than two working days before the absence commenced,

unless –

- (i) he is a teacher employed wholly or mainly for the purpose of providing such cover (a "supply teacher"); or
- (ii) the services of a supply teacher to provide cover for the absent teacher are not available; or
- (iii) the teacher required to provide cover is a full-time teacher at the school but has been assigned by the head teacher in the timetable to teach or carry out other specified duties (except cover) for less than 75% of the hours covered by the school timetable.

Public examinations

(10) Participating in arrangements for preparing pupils for public examinations and in assessing pupils for the purposes of such examinations; recording and reporting such assessments; and participating in arrangements for pupils' presentation for and supervision during such examinations.

Selection etc of staff

(11) Contributing to the selection for appointment and professional development of other teachers, including the assessment of probationary teachers.

Management

(12) (a) Co-ordinating or managing the work of other teachers.
(b) Taking such part as may be required of him in the review, development and management of activities relating to the curriculum, organisation and pastoral functions of the school.

Administration

(13) (a) Participating in administrative and organisational tasks related to such duties as are described above, including the management or supervision of persons providing support for the teachers in the school and the ordering and allocation of equipment and materials.

- (b) Attending assemblies, registering the attendance of pupils and supervising pupils, whether these duties are to be performed before, during or after school sessions.

WORKING TIME

(1) After 1 August 1987 –

- (a) subject to subparagraph (c), a teacher employed full-time may be required to work on not more than 195 days in any year, of which 190 days shall be days on which he may be required to teach pupils in addition to carrying out other duties;
- (b) a teacher may be required to work at specified times and places at the direction of the head teacher or the authority as the case may be for not more than 1,265 hours in any year, to be allocated reasonably throughout those days in the year on which the teacher is required to work;
- (c) subparagraphs (a) and (b) do not apply to a teacher employed to teach or perform other duties in relation to pupils in a residential establishment;
- (d) time spent in travelling to or from the place of work shall not count against the 1,265 hours referred to in subparagraph (b);
- (e) unless employed under a separate contract as a midday supervisor, a teacher shall not be required to undertake midday supervision, and shall be allowed a break of reasonable length either between school sessions or between the hours of 12 noon and 2 pm;
- (f) a teacher shall, in addition to the requirements set out in subparagraphs (a) and (b) above, work such additional hours as may be needed to enable him to discharge effectively his professional duties, including, in particular the marking of pupils' work and the preparation of lessons, teaching material and teaching programmes. The amount of time required for this purpose beyond the 1,265 hours referred to in subparagraph (b) and the times outside the 1,265 specified hours at which duties shall be performed shall not be defined by the employer but shall depend upon the work needed to discharge the teacher's duties.

(2) In this paragraph, "year" means a period of 12 months commencing on 1 September unless the school's academic year begins in August in which case it means a period of 12 months commencing on 1 August.

PROPOSED CONDITIONS OF EMPLOYMENT

HEAD TEACHERS

Reproduced below are relevant extracts from the draft Order on which the Government is now consulting.

| | | | |
|--------------------------------|--|---|---|
| <i>Overriding requirements</i> | (1) A head teacher shall carry out his professional duties in accordance with and subject to – | | employment, maintaining a reasonable balance for each teacher between work carried out in school and work carried out elsewhere. |
| | (a) the provisions of the Education Acts 1944 to 1986; | | (b) Ensuring that the duty of providing cover for absent teachers, as prescribed in paragraph 3(9) of Schedule 3, is shared equitably among all teachers in the school, taking account of their teaching and other duties. |
| | (b) any orders and regulations having effect thereunder; | | |
| | (c) the articles of government of the school of which he is head teacher, to the extent to which their content is prescribed by statute; | | |
| | and, to the extent to which they are not inconsistent with these conditions, | | |
| | (i) any provisions of the articles of government the content of which is not so prescribed; | <i>Liaison with staff unions and associations</i> | (4) Maintaining relationships with organisations representing teachers and other persons on the staff of the school. |
| | (ii) any rules, regulations or policies laid down by the employing authority or governing body; and | <i>Curriculum</i> | (5) Determining, organising and implementing an appropriate secular curriculum for the school, having regard to the needs, experience, interests, aptitudes and stage of development of the pupils and the resources available to the school. |
| | (iii) the terms of his appointment. | | |
| <i>General functions</i> | (2) A head teacher shall be the leader of the school community, and shall be the principal representative of the school in its relationships with the authority that maintains it, the governing body, the local community and the parents of its pupils. Subject to paragraph 1 above, he shall be responsible for the internal organisation, management and control of the school. | <i>Review</i> | (6) Keeping under review the work and organisation of the school. |
| | | <i>Standards of teaching and learning</i> | (7) Evaluating the standards of teaching and learning in the school, and ensuring that proper standards of professional performance are established and maintained. |
| <i>Consultation</i> | (3) In carrying out his duties he shall consult, where this is appropriate, with the authority, the governing body and the staff of the school. | | |
| <i>Professional duties</i> | (4) The professional duties of a head teacher shall include – | <i>Appraisal of staff</i> | (8) (a) Providing information about the work and performance of the staff employed at the school where this is relevant to their future employment. |
| <i>School aims</i> | (1) Formulating the overall aims and objectives of the school and policies for their implementation. | | (b) Supervising and participating in any arrangements within an agreed national framework for the appraisal of the performance of teachers who teach in the school. |
| <i>Appointment of staff</i> | (2) Participating in the selection and appointment of the staff of the school. | | |
| <i>Management of staff</i> | (3) (a) Deploying and managing all teaching and non-teaching staff of the school and allocating particular duties to them (including such duties of the head teacher as may properly be delegated to the deputy head teacher or other members of the staff), in a manner consistent with their conditions of | <i>Training and development of staff</i> | (9) Ensuring that all staff in the school have access to advice and training appropriate to their needs, in accordance with the policies of the maintaining authority for the development of staff. |

Pupil progress

Pastoral care

Discipline

Relations with parents

Relations with other bodies

Relations with governing body

Relations with authority

(10) Ensuring that the progress of the pupils of the school is monitored and recorded.

(11) Determining and ensuring the implementation of a policy for the pastoral care of the pupils.

(12) Determining, in accordance with any written statement of general principles provided for him by the governing body, measures to be taken with a view to promoting, among the pupils, self-discipline and proper regard for authority, encouraging good behaviour on the part of the pupils, securing that the standard of behaviour of the pupils is acceptable, and otherwise regulating the conduct of the pupils; making such measures generally known within the school, and ensuring that they are implemented.

(13) Ensuring the maintenance of good order and discipline on the school premises whenever pupils are present, including the midday break.

(14) Making arrangements for parents to be consulted and given regular information about the school curriculum, the progress of their children and other matters affecting the school, so as to promote common understanding of its aims.

(15) Promoting effective relationships with persons and bodies outside the school.

(16) Advising and assisting the governing body of the school in the exercise of its functions, including (without prejudice to any rights he may have as a governor of the school) attending meetings of the governing body and making such reports to it in connection with the discharge of his functions as it may properly require either on a regular basis or from time to time.

(17) Maintaining liaison and ensuring co-operation with the officers of the maintaining authority: making such reports to the authority in connection with the discharge of his functions as it may properly require either on a regular basis or from time to time.

Relations with other educational establishments

Resources

Premises

Appraisal of head teacher

Absence

Teaching

Midday break

(18) Maintaining liaison with other schools and further education establishments with which the school has a relationship.

(19) Allocating, controlling and accounting for those financial and material resources of the school which are under the control of the head teacher.

(20) Making provision, if so required by the governing body or the maintaining authority, for the security and effective supervision of the school buildings and their contents and of the school grounds; and ensuring (if so required) that any lack of maintenance is promptly reported to the maintaining authority or, if appropriate, the governing body.

(21) (a) Participating in any arrangements within an agreed national framework for the appraisal of his performance as head teacher.

(b) Participating in the identification of areas in which he would benefit from further training and undergoing such training.

(22) Arranging for a deputy head teacher or other suitable person to assume responsibility for the discharge of his functions as head teacher at any time when he is absent from the school.

(23) Participating to such extent as may be appropriate in the teaching of the pupils at the school.

(5) Without prejudice to his duties under paragraph 4(13) and (22) above, a head teacher shall be allowed a break of reasonable length in the course of each school day.

PROPOSED CONDITIONS OF EMPLOYMENT

DEPUTY HEAD TEACHERS

Reproduced below is a relevant extract from the draft Order on which the Government is now consulting.

General duties

A person appointed deputy head teacher in a school, in addition to carrying out the professional duties of a school teacher, including those duties particularly assigned to him by the head teacher, in the manner prescribed in paragraphs 1 and 2 of Schedule 3 to this Order, shall –

- (1) assist the head teacher in managing the school or such part of it as may be determined by the head teacher;
- (2) undertake any professional duty of the head teacher, including those set out in paragraph 4 of Schedule 1 which may be delegated to him by the head teacher;
- (3) undertake, in the absence of the head teacher and to the extent required by him or his employers, the professional duties of the head teacher.

NOTE: The conditions of employment of Deputy Head Teachers would also include the conditions reproduced on pages 12 and 13.

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SKW

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

2 April 1987

Dear Rob,

TEACHERS PAY AND CONDITIONS: SITUATION REPORT

The Prime Minister has seen your Secretary of State's minute of 30 March which described reactions to the Government's proposals on teachers pay and conditions.

The Prime Minister is content subject to the views of colleagues with the next steps which your Secretary of State intends to take, namely, to make and lay before Easter the order dealing with the 1 January component of the pay increase and conditions of service, to publish a consultative paper before Easter about the use of the new £500 allowance and to be ready to announce the Chairman and Deputy Chairman of the Interim Advisory Committee soon after Easter.

I am sending copies of this letter to the Private Secretaries to other members of MISC 122 and to Trevor Woolley (Cabinet Office).

*Yours,
David.*

(DAVID NORGROVE)

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

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PART 10 ends:-

SS/DES TO PM 18.9.57

PART 11 begins:-

CH/EXQ TO SS/DES 2.10.57

Grey Scale #13



A 1 2 3 4 5 6 **M** 8 9 10 11 12 13 14 15 **B** 17 18 19

