



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

Prime Minister

TEACHERS' PAY

1. I have seen a copy of the minute which the Secretary of State for Education and Science sent to you on 9 May, covering a paper about teachers' pay and suggesting that we should try to secure a settlement of this problem by way of the Standing Commission on Pay Comparability coupled with various improvements in the present offer to the teachers. I imagine that you will accept that any improvement in the offer to teachers in England and Wales must be matched by a corresponding offer to Scottish teachers.
2. I agree with Mark Carlisle that the balance of advantage would seem to lie in a reference to the Standing Commission rather than in simply allowing the matter to go to arbitration, which would certainly be the outcome if we are not prepared to authorise any advance on the present offer but which might be expensive in the short term and would still leave unresolved the question of restoration of "Houghton relativities". I agree also that the sort of improvement needed to secure an agreement would involve (a) a small increase in the cash offer as at 1 April 1979 (either by means of a marginal percentage improvement or by some form of payment on account or both) and (b) probably some improvement in the staging of any subsequent comparability award.

3. I am, however, concerned - against the background of my wider pay responsibilities - that, by looking at the problem of teachers' pay in isolation, we may store up consequential difficulties for ourselves in other fields. As Mark Carlisle's paper recognises, we have to decide our whole attitude to the Standing Commission; and I suggest that in any event we should think very carefully before agreeing to terms of reference to the Commission containing such a direct "steer" towards Houghton as those set out in the annex to that paper. Moreover, we must be sure that any improvement either in the cash offer to the teachers or in the proposed staging does not result in awkward repercussions for other groups.

4. I too shall be under pressure to facilitate the early resumption of negotiations in the Scottish Teachers Salaries Committee. I would prefer, however, that we should first look collectively at the sort of points mentioned in paragraph 3 above before deciding what improvements might be authorised in the existing offer to the teachers. I would hope that this is something which we could tackle quickly.

5. Copies of this minute go to Mark Carlisle and to the other recipients of his minute.

GEORGE YOUNGER .

10 May 1979

11 MAY 1979

