

CONFIDENTIAL

EMO

c/v

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

C(86) 4

COPY NO 34

29 January 1986

CABINET

SCHOOL TEACHERS' PAY

Memorandum by the Secretary of State for Education and Science

A provisional agreement has been reached, under the Advisory Conciliation and Arbitration Service (ACAS) conciliation, in the England and Wales teachers' dispute. The main elements are:

- i. a pay increase from 1 April 1985 of 6.9 per cent, rising to 8.5 per cent from 31 March 1986;
- ii. an end to disruption;
- iii. an ACAS-managed negotiation for 1986 across pay and other conditions of service (ACAS propose to appoint three individuals to "assist" the negotiations).

2. The provisional agreement is between the management and teachers' sides of the Burnham Primary and Secondary Committee. Agreement to formal adoption is now being sought on both sides through consultation with all Local Education Authorities (LEAs) and within the unions. This process is expected to take 3-4 weeks, mainly because the National Association of Schoolmasters/Union of Women Teachers proposes to ballot its membership. The National Union of Teachers (NUT) (the largest union but now a minority within the teachers' side of Burnham) is not party to the provisional agreement, and may continue disruption even if the deal is formally adopted and implemented.

3. An end to disruption in the schools is urgently needed. There are two snags about the agreement itself. The first is the cost. The second is the probability that the resulting 1986 negotiation will fail to deliver the Government's objectives of a better pay structure linked with the clarification of teachers' duties.

Government Response

4. The Ministerial Group on Teachers' Pay (MISC 122) has considered how we should respond to this agreement. We have no power to prevent the 1985 pay increase. But there can be no question of making additional resources available for teachers' pay except within the publicly offered £1,250 million for 1986-90 on the stated conditions. The LEAs must therefore face the financial consequences of the 1985 increase themselves. We could

CONFIDENTIAL

EMO

seek to substitute our own inquiry or review for the ACAS-managed 1986 negotiation, with our choice of membership and terms of reference. In principle this could be the long term route to a satisfactory pay and duties outcome, but its immediate outcome would almost certainly be an end to the provisional agreement and the continuation of disruption, for which we should be blamed.

5. MISC 122 therefore agreed that we should allow the ACAS process to proceed avoiding any action that could enable us to be blamed if it should fail. Our clear public position should be:

i. a welcome for the prospect of an end to disruption;

ii. an expectation that if the deal is formally adopted then the NUT will also end disruption;

iii. no extra resources for 1985-86. The Government's willingness to provide extra resources within the £1,250 million for 1986-87 and later depends on outcomes from negotiations satisfying Government conditions.

6. If the agreement is formally adopted then Department of Education and Science officials will continue to be minority members of the management side of the ACAS-managed 1986 negotiations. They will ensure that the Government's objectives, and the conditions attached to the £1,250 million, are fully understood.

7. I invite Cabinet to endorse this conclusion

The Longer Term

8. The ACAS-managed future work may run into the sand either before formal adoption or at any subsequent stage. It is therefore right to develop other options in case they become necessary. I propose to keep under review the possibility of setting up a Government inquiry or moving directly to the establishment of a new statutory review body for teachers' pay and conditions of service (legislation would be required for the latter) and to develop these options through MISC 122.

9. I invite Cabinet to note this proposed action.

Scotland

10. The ACAS exercise does not directly affect the position in Scotland, but any new Government initiative in Scotland before the ACAS agreement is formally adopted could hinder the adoption process. The Secretary of State for Scotland will shortly be putting proposals to MISC 122 for possible implementation once the ACAS deal is secure.

K J

Department of Education and Science

29 January 1986