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CABINET

SCHOOL TEACHERS' PAY, DUTIES AND CONDITIONS OF SERVICE

Note by the Secretary of the Cabinet

I attach a paper prepared by the Ministerial Group on Teachers' Pay (MISC 122).

ROBERT ARMSTRONG

Cabinet Office

29 October 1986

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SCHOOL TEACHERS' PAY, DUTIES AND CONDITIONS OF SERVICE**Report by the MISC 122 Group**

The Cabinet agreed in the spring that industrial action by teachers in England and Wales and in Scotland should be defused respectively by endorsement of negotiations under the auspices of the Advisory Conciliation and Arbitration Service (ACAS) and by the appointment of the Committee of Inquiry chaired by Sir Peter Main. An interim agreement for England and Wales was reached at Coventry in July by the local authority employers and unions representing a majority of teachers, covering pay and pay structure and certain aspects of conditions of service; that agreement envisaged a final agreement being reached by the end of the year which would confirm the understandings reached and settle major outstanding issues on duties and conditions of service. The Main Report, with recommendations on teachers' pay, duties and conditions of service, was published on 2 October as Cmnd 9893.

Coventry

2. The Coventry agreement did not meet the conditions laid down by the then Secretary of State for Education and Science when he announced the Government's offer of additional provision for teachers' pay of £1,250 million (for England and Wales, with a further £125 million for Scotland) over four years in return for a satisfactory agreement covering pay, pay structure, duties and conditions of service. It would put all unpromoted teachers, regardless of merit, on a basic scale running up to £14,500, i.e. 40 per cent higher than the present scale; and it left for further negotiation the length of the teachers' working week, the amount of class contact time, limits on class size, and the circumstances under which teachers can be required to cover for absent colleagues - all of them points on which concessions by the employers would prove very expensive.

It did include, however, a broadly satisfactory list of teachers' duties, and it accepted the principle of teacher appraisal. Most participants at Coventry envisaged that the present statutory Burnham Committee, whose remit is restricted to pay, and the voluntary Council of Local Education Authorities (School Teachers) Committee, which covers conditions of service, would be replaced by new voluntary joint negotiating machinery covering both pay and conditions; the Government would have no locus in these new arrangements.

Main

3. The Main Report recommendations on duties and conditions of service are generally consistent with the Government's objectives in terms of improving the quality of education and providing for the smooth running of the schools. The scope for teachers to take disruptive action without being clearly in breach of their contracts would be drastically reduced. On pay structure, the recommendations meet the Government's wish to provide greater rewards for greater responsibility and proven good performance. On pay, however, Main recommends increases of worth 16.4 per cent from 1 October 1986; these are greater than envisaged at Coventry, although the costs of Coventry would eventually exceed those of Main as unpromoted teachers moved up towards the maximum of a basic pay scale nearly 20 per cent above that recommended for Scotland. The Main salary proposals would set pay scales to operate until March 1988, i.e. there would be no 'normal' annual settlement in April 1987. On negotiating machinery, Main envisages replacement of the present statutory Joint Negotiating Committee (which covers both pay and conditions) by a Standing Advisory Committee with effect from April 1988.

Subsequent developments

4. Practically no progress has been made for England and Wales has been made since Coventry; a further negotiating session under ACAS auspices is scheduled at Nottingham on 8 November.

The English unions, seeing the larger immediate pay increases recommended by Main, are seeking 'faster assimilation' to the Coventry pay scales; the National Association of Schoolmasters/Union of Women Teachers, which was not a party to the Coventry agreement, is seeking a further increase in the basic scale maximum, and has called for further industrial action beginning next week. In Scotland there seems to be a good prospect that the unions and local authority employers will accept the Main package and negotiate it into place through the existing machinery, provided that the Government makes full public expenditure provision for it.

The Government's Response

5. The Ministers directly concerned, meeting under the Prime Minister's chairmanship in MISC 122, have considered how the Government should respond to the Main Report, and to the situation developing in England and Wales. The Group's recommendations to the Cabinet are as follows:

(i) the Government should accept the Main recommendations on pay, duties and conditions of service.

(ii) The Government should take an immediate initiative to bring the 'Coventry process' to an end, so as to preclude further expensive concessions by the local authority employers and prevent the implementation of the Coventry pay structure.

(iii) Accordingly the Government should invite the parties to agree at Nottingham to a 'Main-equivalent' settlement for England and Wales on lines which the Education Secretary would lay down.

(iv) The Main and Main equivalent salary scales should be introduced in two stages, providing for average increases of

8.2 per cent on 1 January 1987, and for the remaining 8.2 per cent increases on 1 October 1987.

Failing agreement following Nottingham (or in the Scottish Joint Negotiating Committee), the Government should legislate to impose the settlement. For England and Wales they would act in the light of recommendations made by an interim Advisory Committee, which would work within a cost envelope consistent with their response to the Main recommendations; given that the Main report already exists, there would be no need for such a Committee in respect of Scotland until 1988-89.

(vi) No additional payments should be made to teachers until they have either accepted the new specification of their duties and conditions of service in negotiation, or these have been put into effect by means of regulations made under the new legislation imposing the Government's terms.

(vii) Provision should be made for the full additional costs of £118 million and £14 million in 1986-87, and £490 million and £60 million in 1987-88, for England and Wales and for Scotland respectively. This additional provision represents the whole of the additional costs of the proposed settlement beyond the 3.75 per cent allowed for in next year's Rate Support Grant settlements for increased costs. In recognition of the fact that local authorities will have been planning on an increase for teachers greater than 3.75 per cent, and in order to give them some incentive to find offsetting savings, especially in the education field, additional Exchequer grant for 1987-88 should be restricted to £200 million for England and Wales and £30 million for Scotland; the effect would be a small reduction in the overall Exchequer grant percentage for England from 46.4 to

46.3, with corresponding reductions in the Scottish and Welsh percentages.

(viii) The Government's decisions should be announced on 30 October in statements to be made by the Secretaries of State for Education and Science and for Scotland.

Implications of the proposals

6. These proposals will add more than £0.5 billion to public expenditure in 1987-88, and more than £0.8 billion in 1988-89 and subsequent years. Treasury Ministers have only accepted them with the greatest difficulty, and on the strict condition that there can be no further increases. They threaten very awkward repercussions on other public sector pay settlements, which it will be essential to resist. They will also mean some further increase in rates, above whatever increases are already in the pipeline, which for most authorities will be about 2 per cent. In presenting the proposals it will therefore be essential to emphasise:

(i) that the Government's offer represents an exceptional - and very generous - response to the situation in the teaching profession;

(ii) that it is quite different from other pay settlements, in that it requires acceptance of much more tightly specified duties and conditions of service in return for the new pay deal;

(iii) that it represents the Government's last word, and that no further concessions could be made; and

(iv) that it inevitably imposes substantial extra costs, in addition to increases in expenditure (much of it on education) which local authorities are already planning, which have to be met by the ratepayer and taxpayer -

improvements in the quantity and quality of public services have to be paid for.

The Cabinet will have before them drafts of the statements to be made by the Secretaries of State for Education and Science and for Scotland.

Legislation

7. Legislation will in any event be required in due course to repeal the Remuneration of Teachers Act and so abolish the Burnham Committee; that Committee has proved ineffective, deals only with pay and not with duties, and gives the Secretary of State no influence over the negotiations. This will be made clear in the announcement of the Government's offer. It would not be appropriate to state at this stage precisely how the Government would impose a settlement on the lines set out above, if the local authority employers and teachers' unions failed to negotiate it into place through the existing machinery. However, the Government will need to make their intentions clear as soon as it emerges that negotiations are failing; thus there may well be a need for a further announcement about the content of legislation in the second half of next month. The precise timing and content of legislation will need to take account of the behaviour of the teachers, their unions, and the local authority employers in the developing situation; it will be essential to ensure that there can be no question of the existing Statutory Committees awarding further pay increases before 1988 once a settlement on the Government's terms has been accepted. The Education Ministers, in consultation with the Environment Secretary, the Chief Secretary, Treasury, the Attorney-General and the Government's Business Managers, will be carrying forward work in preparation for legislation.

Conclusion

8. The Group seeks the endorsement of the Cabinet of the recommendations in paragraph 5 above.

Cabinet Office

29 October, 1986