



## DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

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 Lord President of the Council  
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6 January 1986

*See letter -*

*ms*

**TEACHERS' PAY DISPUTE IN ENGLAND AND WALES**

You might like to see the attached copy of a letter I have sent today to Conservative Members of Parliament setting out developments in the teachers' dispute and explaining the Government's position.

I am sending copies of this to all Cabinet colleagues and to Sir Robert Armstrong.

*See - King -*

*Prime Minister 4*

*A good letter. See x in particular.*

*DWS  
7/1*



HOUSE OF COMMONS  
LONDON SW1A 0AA

To All Conservative MPs  
House of Commons  
London  
SW1A 0AA

6 January 1986

We enter this new year with, I very much regret to say, no resolution to the long standing teachers' pay dispute.

Our first concern must be the education of the children, both now and in the future, which is why we need not just an end to the dispute, but a satisfactory long term settlement of teachers' pay, conditions and career structure.

The current position is still deadlock. The teachers' panel are meeting again on 7 January and the management panel on 8 January. Let us hope that some progress can be made. I attach to this letter a summary of the negotiations to date. From this you will see that:-

- i. The employers have moved considerably during 1985 from their first offer of 4%, and they are now offering yet again independent arbitration.
- ii. The teacher unions have been quite intransigent in pressing for a high pay claim with no clarification of their duties and no long term career restructuring. The NUT and NAS/UWT have now published extreme claims for 1986 before a 1985 settlement has been reached. They build expectations amongst teachers which cannot possibly be satisfied.
- iii. The Government has steadfastly refused to increase local authorities resources for a "no strings" 1985 settlement, but has offered a £1250 million increase over the next 4 years for an agreed reform package. The Government has now taken midday supervision out of the dispute, promoting separate local contracts for supervision.

Over the next few weeks I should be very grateful for your help in getting over the following 4 points:-

1. Measured against the retail price index, the average salary of a teacher fell by about 6% in the 10 years 1974-1984. That decline took place largely between the years 1974 and 1979. It was a result of the 20% inflation which had been fuelled, at least in part, by comparability wage increases of the kind exemplified by Houghton. Between 1974 and 1979 teachers' average salaries fell, in real terms, by 14%. Under the Conservative Government, since 1979, their salaries have actually kept some 10% ahead of inflation.

2. The claim of "back to Houghton" is illogical and economic nonsense. There is no reason why pay relativities should be frozen at one particular time. If the teachers declare that 1974 is the correct reference point when they occupied their best position in the pay relativities league, then what is the likely response from other occupational groups? Clearly they, too, will want to return to their own best ever position in the league, which will be for each case in a different year. To grant such a right to one group of employees, without any strings, would lead to a perpetual leapfrog of pay bargaining and the return to the kind of inflation which this country had to endure in the 1970's. One person's relative pay increase is the next person's relative pay cut.

3. In referring to the Houghton and Clegg reports, the teachers' unions should remember the words of those reports as well as their figures:-

Houghton, paragraph 73, "We wish to stress that we believe the salary levels we recommend justify expectation of professional standards of performance in return."

Clegg, paragraph 86, "Throughout our assessment of the work of teachers we have taken into account the wide range of extra curricular activities which are part of the professional obligation of teachers to pupils, parents and schools."

4. Teachers and local education authorities have a duty towards the children in their charge; the pernicious disruption of children's education must stop. If the teachers resume such tactics in this new school term, then they can expect no sympathy at all from their employers, the public, and the Government.

Yours faithfully,  
Y. K. K.

## TEACHERS' PAY DISPUTE IN ENGLAND AND WALES

1. The history of the 1985 negotiations is summarised in paragraphs 2 to 4 below. The current position is deadlock. No meeting of Burnham is planned but both the teachers' and the management panels are to meet separately on 7 & 8 January respectively to consider the informal exchanges which took place on 17 December. The unions continue to insist on a "no-strings" pay settlement for April 1985 at a level way above that which the employers can afford. On 17 December their leaders saw an end-loaded increase of 9.9% as sufficient to strike an "interim" deal. The employers ruled this out of court and invited the unions to reconsider the possibility of arbitration. This will be on the agenda at the early January meetings. As yet it is not clear on what basis the employers would be willing to see a reference to arbitration. At present arbitration is formally on offer at 5% but it is conceivable that this could be raised so that arbitration would be on the basis of what is now the "informal" offer made by the employers in October of an end-loaded 7.5% (see 2v below).

### The employers

2. The employers have in the course of negotiations offered
  - i. in January, 4% or arbitration
  - ii. in May, 5% or arbitration
  - iii. in July (informally), a phased deal worth 5.85% in the year, and 6.43% next year **conditional** on agreement on reforms
  - iv. on 12 September - and endorsed by Government - a package of pay improvements, pay/promotion structure reforms, and agreement on teachers' duties. Worth 5.85% in the year and 8.06% in 1986/87, these figures **conditional** on the reforms
  - v. on 14 October an informal and "absolutely final" offer - opposed by Government - of a "no-strings" pay rise worth 6.9% in the year and 7.5% by the year end and the suggestion of a Royal Commission into teachers' pay, pay structure, conditions and negotiating machinery.
  - vi. on 11 December repeated the suggestion of an independent inquiry and urged the repeal of the Remuneration of Teachers Act and the abolition of the Burnham machinery.
  - vii. on 17 December the employers' leaders (but not the full panel) refused to raise the 6.9%/7.5% offer and urged the teachers to reconsider arbitration.

### The Unions

3. The unions, dominated until early December by the NUT (when the Secretary of State's reconstitution of the teachers' panel took final effect), have claimed

- i. from last November, a £1200 rise for all (worth 12.4%) as the first step towards restoring relative pay levels of 1974 (Houghton levels)
- ii. in July, a phased rise worth 6.9% in the year but **more than 7.5%** by the year end, plus a commitment to a phased return to Houghton levels, with no strings
- iii. on 15 October, in rejecting the increased offer, the teachers' panel re-affirmed its July position. NUT began to suggest that by "more than 7.5%" they meant something in the region of 10%; NAS/UWT hinted that they would settle for around 8%; AMMA said 9% would be needed.
- iv. on 5 December, the 5 smaller unions outvoted the NUT and asked for a resumption of negotiations for an "interim" 1985 pay deal. But the reconstituted panel also reaffirmed its commitment to restoring Houghton pay levels as its "prime strategic objective".
- v. on 17 December the union leaders (but not the panel) hit upon 9.9% as an acceptable figure for an end-loaded 1985 settlement [see the figures at iii. above to see the smaller unions' fears of being accused of a "sell-out by the larger NUT)].

#### The Government

4. The Government has all along sought reform of pay structure and conditions of service in return for pay rises beyond what the local authority employers could finance within RSG.
  - a. in July 1984 the Secretary of State undertook to seek his colleagues' agreement to additional funding if the teachers and employers could strike an acceptable, negotiable and affordable bargain
  - b. in May 1985 the Government offered additional resources in 1986/87 for an agreement on pay and reforms which would produce progress towards "Better Schools".
  - c. in August the Government quantified the May offer - £200 million in 1986/87 rising to £450 million in 1989/90, within a total of £1250 million over those 4 years
  - d. in September the Government-backed package of reforms was offered:
    - i. the creation of an extra 74,000 promotions, associated with a restructuring of pay scales, from September 1986;
    - ii. an increase of £480 or 5 per cent for all teachers from 1 April 1985;
    - iii. the merger of scales 1 and 2 from 1 September 1985, providing an additional increment at that date for those on the maximum of scale 1
    - iv. a further 1 per cent increase for all teachers from 1 November 1985; and

v. an additional increment for all teachers on the maxima of scales 2, 3, 4 and the senior teacher scale from 31 March 1986.

NB - definition of duties to include systematic appraisal and exclude midday supervision

- new teachers start on £7,035 a year
- improved basic career maximum of £10,500 a year, £2,000 up on top of Scale 1
- 74,000 extra promotions
- 18%-24% for heads and deputies over 18 months
- all this excludes annual pay increases from 1986 on.

e. in October the deadline for getting the first £200 million into the 1986/87 RSG settlement was reached. The deadline has been relaxed: if a satisfactory agreement on structure and duties is now reached "out of time", the Government will be willing to consider whether additional resources can be approved.

f. in October the Government also announced its willingness to separate **midday supervision** from the overall package by offering to release resources (from within the £1250 million envelope) for that specific purpose. A bill to enable specific grants to be used for this is now going through Parliament - it completed its Commons stages on 16 December. The intention is that £10 million for 1985-86 and £40 million for 1986-87 will be taken from the £1250 million to enable employers to secure adequate and reliable supervision of pupils at midday by means of specific grants which will be used to employ people (be they teachers or others) on contracts exclusively relating to midday supervision.

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