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PRIME MINISTER

TEACHERS' PAY AND DUTIES

1. MISC 122 is to meet tomorrow morning. I circulated MISC122(86)3 and 4 over a week ago when we expected to meet on 15 January. Events have since moved forward.

2. ACAS devoted 2 days last week to meetings with the management and teachers' sides seeking to bring about agreement by conciliation. There is little by way of concrete outcome yet, and the prospects are uncertain. There is to be a further meeting today, and there may be another on Thursday. I will report orally tomorrow morning.

3. Nevertheless ACAS will be seeking today to reach agreement on some basis such as:

i. a cash settlement for 1985 at least a little above the 6.9% level end loaded to 7.5% already informally offered, possibly plus a further percentage increase "on account" from the beginning of 1986, without strings;

ii. agreement to "assisted" negotiations for 1986 across pay and conditions of service (this would have something of the nature of an inquiry or arbitration, but would probably avoid using any such name); and

iii. an end to disruption at least for the time being.

It is possible that there would be words in the terms of reference for ii. about restoring past erosion of pay. It is possible that a deal on these lines may emerge even if the NUT continues to stand aloof and does not end its own disruption.

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4. If agreement on these lines is reached it would be a bad deal for us. There would be the immediate cost followed almost certainly by a substantial long-term cost without the sort of agreement on pay and conditions for which we are looking. ACAS will inevitably be seeking to promote agreement between the parties, and all past experience is that the changes in pay structure and conditions of service which we want cannot be obtained by agreement with the teachers. The only good feature, if it emerges and is effective, would be a reduction in and possibly an end to disruption for the time being.

5. I believe that if we set up our own inquiry, that would be much more satisfactory. It would still, no doubt, lead to substantial cost, but we would control its membership and terms of reference, and could reasonably expect recommendations to cover conditions of service, contracts, and negotiating machinery providing a valuable move towards our objectives. Such recommendations would, if the teachers proved unwilling to accept them, provide a credible and politically justifiable basis for legislation.

6. If colleagues accept that there are considerable dangers in ACAS launching their initiatives, the timing is such that there may be a small time-window tomorrow, which we could use to set up our own inquiry. I could announce our intention to do so in the debate on Thursday. We should consider this possibility tomorrow. I favour it. We should recognise that if ACAS carry their work forward to the stage of getting agreement by both management and unions to a package of the kind described above, then we should face great political difficulty if we wished to halt the process and substitute our own inquiry. We are therefore in practice faced with the alternatives of on the one hand holding to our present position and accepting that ACAS may set up an unsatisfactory exercise, or on the other of pre-empting the situation by announcing our own intention to set up an inquiry.

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7. None of the above covers Scotland. If we decide in favour of an inquiry for England and Wales, we may judge that also the right course in Scotland. Two linked inquiries under a common chairman would be a possibility.

8. I shall seek to expand on this orally tomorrow morning. But I thought it would be helpful since events have moved forward from last week to send you and colleagues this indication of my thinking at this stage.

9. I am sending copies of this minute to the Lord President, the Chancellor of the Exchequer, and to other members of MISC 122.

KJ

KJ
Department of Education and Science
21 January 1986

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PRIME MINISTER

MISC 122: Teachers

1 It might be helpful to provide a brief account of the proposals under discussion at ACAS as a basis for our meeting tomorrow. The position has changed since last night.

2 Attached is the note (Appendix 1) which ACAS invited the Management Panel and the Teachers' Panel (the NUT refusing to attend) to consider yesterday. The approach suggested was:-

(a) to attempt to settle the 1985 pay claim;

(b) at the same time, to identify and agree all other issues which need to be resolved in the longer term, including the 1986 pay claim;

(c) and to consider the appointment of a panel by ACAS to assist the parties towards agreement on these issues;

(d) for industrial action to end on agreement of the above matters.

3 Although there was no formal discussion between the parties on what would settle the 1985 pay claim, it has now emerged that the unions would be likely to accept 6.9% end-loaded to 8.5%. They are not interested in a lead-in payment for 1986 as previously thought. The Management Panel can be expected to consider its position in full session tomorrow. An offer of this kind cannot be ruled out.

4 Both Panels were unable to accept ACAS's draft statement of objectives for the longer term (Appendix B of the note which has now been withdrawn). They each drafted their own statement but, I understand, their leaders in informal exchanges today have virtually agreed a common statement which they are prepared to recommend for acceptance.
... Attached (Appendix 2) is the latest version which is in fact a draft agreement.

5 The leaders of both Panels are also prepared to accept the appointment of a panel by ACAS much as proposed.

6 There is therefore an emerging likelihood that agreement could be reached in resumed discussions at ACAS on Friday, at least in principle.

7 There remains the position of the NUT. I believe it would be very much a mistake for the Management Panel to conclude any agreement and make a formal pay offer in Burnham to which the NUT was not committed. I would expect considerable efforts to be made by ACAS and through the TUC to persuade the NUT to be a party to the proposed agreement. It might be some days before it was clear whether such pressures

would be successful. But if they were not, the Management Panel might nevertheless conclude that agreement with the other unions was sufficient prize.

8 I am copying this minute to the other members of MISC 122 and to Sir Robert Armstrong.

APPENDIX 1

A NEW DEAL FOR THE TEACHING PROFESSION

(21/1/86)

The problems relating to teachers' pay, restructuring and conditions of service have been developing over a period of time and clearly for a number of reasons (the problem of funding is only one) they cannot all be solved overnight or even in a single year.

Nevertheless a start must be made and ACAS is prepared to help. A number of ideas are therefore developed in this paper which the management and the teachers are invited to consider. Clearly, their implementation can only be effected with the agreement of both sides.

The basic approach is that the two parties, under ACAS auspices, should settle the 1985 salary claim and also chart the way forward. Such agreement(s) in addition to details of the 1985 settlement (pro forma appended 'A') would contain the following:-

1. Identification of the continuing problems that have to be addressed and the objectives that have to be achieved within the context of a new deal. The first draft of a preamble which the two sides are invited to consider is appended 'B'.

2. Identification of the 1986 objectives. These are seen to consist of:-

   (a) settling the 1986 salary claim

   (b) progressing and concluding all the issues relating to restructuring and conditions of service which either the management or the teachers wish to raise. Clearly it would be necessary to bear in mind that the terms of any agreements finally reached were such that new resources were made available by the Secretary of State.

(c) any other negotiable matters submitted by the management or teachers.

3. Provision for the appointment by ACAS of an independent and impartial panel with agreed terms of reference and constitution (first draft appended 'C').

4. It is envisaged that once ACAS conciliation has resulted in "new deal agreement(s)" which has been signed by the two sides and which covers both the Burnham and CLEA(ST) machinery, steps would be taken by all the teachers organisations concerned to call of all industrial action. Burnham would then be invited to ratify the pay settlement of the 1985 claim.

5. The achievement of the 1986 objectives on mutually acceptable terms represents a formidable and complex task. It is reasonable to expect that there will be a period of calm and peace so that the negotiations can be conducted in a constructive manner.

21 January 1986

APPENDIX 'A'

In full and final settlement of the claim of the Teachers' Panel dated 16 October 1984 the following increases shall apply:-

With effect from 1 April 1985

For each teacher £480 per annum or 5 per cent whichever is the greater

or

5.5 per cent for all teachers.

With effect from 1 July 1985

2 per cent for all teachers.

ACAS Note

The above represents the understanding of ACAS as to what was offered informally on 14 October 1985. During the talks at ACAS the Teachers' Panel have made it clear that if any settlement is to be achieved this offer must be improved.

APPENDIX 'B'

STATEMENT OF OBJECTIVES

We, the parties to this agreement, believe that the provision of an effective and efficient education service in schools is at present impeded by the following problems:

- inadequate salary levels;
- an outdated pay structure;
- a lack of agreement as to the proper duties and responsibilities both of teachers and of their employers.

We recognise that the service has to compete with other claims on finite local and national resources. Nevertheless, we believe that real increases in the resources devoted to primary and secondary education are now necessary.

We therefore commit ourselves to negotiate constructively in order to achieve the following objectives as quickly as possible:

1. Salary levels and a salary structure which will
   - attract sufficient teachers of the right quality to the full range of teaching posts, including those carrying leadership responsibilities, or where skills are currently in short supply;
   - retain these teachers, and motivate them to give of their best at all stages of their careers;
   - improve the status of the classroom teacher; and
   - bear comparison with the salaries available elsewhere in the education service and in other professions in which teachers might otherwise be employed.
2. Arrangements for appraisal and training which will
   - ensure that teachers at all levels remain properly equipped for their tasks; and
   - ensure fair selection for posts carrying leadership responsibilities.

3. A clear definition of the duties and responsibilities which should properly be shouldered, as part of the contract of employment, by teachers and by their employers.

APPENDIX 'C'

1. An independent and impartial panel shall be appointed by ACAS with the following terms of reference:

> "To guide, advise and assist the Management and Teachers' to provisional agreements on the pay, structure and career progression of the teaching profession and any other related matters, eg conditions of service, which either party may wish to bring forward for discussion and negotiations."

2. The panel shall control the programme and procedure of negotiations with a view to an early resolution of differences on all negotiable matters.

3. The panel shall consist of a chairman and two other members all of whom shall be appointed by the Chairman of ACAS.

4. The chairman of the panel, in consultation with the members, shall determine all matters of procedure. He will also ensure that where negotiations come to an end over a partiuclar issue, a report is made to the parties and to ACAS on the matter; he will also report to ACAS on matters which are deemed likely to lead to a dispute so that ACAS may arrange for conciliation and, if appropriate and jointly agreed, a reference to arbitration on approved terms of reference.

5. The secretariat to the panel will be provided by ACAS.

6. The proceedings of this panel with the participating parties and any reports arising therefrom shall be private to them.

7. After a period of six months following the date of the ACAS agreement(s) the panel shall review its work with a view to concluding whether it can continue to contribute usefully to a solution of the profession's problems. The panel shall eventually make a final report to both sides and to ACAS on any key issues that have not been resolved. It shall at the same time formally recommend how in its view the problems should be resolved.

8. The Department of Education and Science will continue to play a full part in all the discussions that take place under the auspices of the panel.

APPENDIX 2

THE DRAFT AGREEMENT

Introduction and Objectives

We, the parties to this agreement:-

1. Recognise that there are serious problems relating to teachers' pay, structure and conditions of service; that they have been developing over a period of time and cannot therefore be solved overnight or even in a single year; but that these problems must now be tackled with vigour.

2. Believe that if educational standards are to be maintained, let alone improved, real increases in the resources devoted to primary and secondary education in England and Wales are necessary.

3. Accept that a start should be made on the basis of (a) settling the 1985 salary claim and (b) agreeing the procedures for negotiating the remaining issues, including the 1986 salary claim.

4. Commit ourselves to negotiate constructively and expeditiously on:-

   (a) salary levels and a salary structure which will
   - attract sufficient teachers of the right quality to the full range of posts within the teaching profession including those carrying leadership and management responsibilities;
   - retain teachers, and motivate them to give of their best at all stages of their careers;
   - recognise the central importance of the teacher in the classroom; and
   - relate to the responsibilities undertaken at the various levels of teaching and take account of salaries elsewhere.

   (b) arrangements for appraisal and training which will:

(i) ensure that teachers at all levels remain properly equipped for their tasks;

(ii) assist towards teachers' career development and fair selection for posts carrying leadership responsibilities;

(c) a clear definition of the contractual duties and responsibilities (including defined limitations) of teachers and their employers.

The 1985 Salary Claim

/Here will be included the terms of the settlement eventually agreed/

Future Procedure

1. An independent and impartial panel shall be appointed by ACAS with the following terms of reference:

"To guide, advise and assist [as a matter of urgency] the management and teachers to provisional agreements on the pay, structure and career progression of the teaching profession and any other related matters, eg conditions of service, [+ procedures for negotiation] which either party may wish to bring forward for discussion and negotiations."

2. This panel shall control the programme and procedure of negotiations with a view to an early resolution of differences on all negotiable matters.

3. The independent panel shall consist of a chairman and two other members all of whom shall be appointed by the Chairman of ACAS.

4. The chairman of the independent panel, in consultation with the members, shall determine all matters of procedure. He will also ensure that where negotiations come to an end over a particular issue, a report is made to the parties and to ACAS on the matter;

he will also report to ACAS on matters which are deemed likely to lead to a dispute so that ACAS may arrange for conciliation and, if appropriate and jointly agreed, a reference to arbitration on approved terms of reference.

5. The secretariat to the independent panel will be provided by ACAS.

6. The proceedings of this panel with the participating parties and any reports arising therefrom shall be private to them.

7. After a period of six months following the date of this agreement the independent panel shall review its work with a view to concluding whether it can continue to contribute usefully to a solution of the profession's problems. The panel shall eventually make a final report to both sides and to ACAS on any key issues that have not been resolved. It shall at the same time formally recommend how in its view the problems should be resolved.

8. The Department of Education and Science will continue to play a full part in all the discussions that take place under the auspices of the panel.

Cessation of All Industrial Action

The teachers' organisations undertake to take immediate steps with a view to the cessation of all industrial action and a return to full normal duties.

Adoption of Agreement

The parties to this agreement now intend formally to adopt it through the Burnham Primary and Secondary Committee and CLEA/ST.

Signed on behalf of:

he will also report to ACAS on matters which are deemed likely to lead to a dispute so that ACAS may arrange for conciliation and, if appropriate and jointly agreed, a reference to arbitration on approved terms of reference.

5. The secretariat to the independent panel will be provided by ACAS.

6. The proceedings of this panel with the participating parties and any reports arising therefrom shall be private to them.

7. After a period of six months following the date of this agreement the independent panel shall review its work with a view to concluding whether it can continue to contribute usefully to a solution of the profession's problems. The panel shall eventually make a final report to both sides and to ACAS on any key issues that have not been resolved. It shall at the same time formally recommend how in its view the problems should be resolved.

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