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CCB/UP

PRIME MINISTER

21 February 1986

TEACHERS' PAY

ENGLAND AND WALES

The unique feature of the teachers' pay dispute is the refusal of the local education authorities to enforce the existing teachers' contracts. If the LEAs enforced the contracts, then the ability of the unions to undertake cost free disruption would be eliminated and the strike quickly brought to a head. Better contracts could, of course, produce better teaching. But this is a side issue to the strike itself, and is irrelevant if LEAs still refuse to enforce such contracts.

The Seventies were spent papering over the structural cracks in the education edifice without ever addressing the subsidence in its foundations. The teachers and the LEAs acted in a less overtly political manner, and the Government conspired by having an Inquiry every 5 years or so to boost the teachers' pay without ever altering the fundamental weakness in the system. There are now three underlying options open to Government:

- either continue with the present strategy of non-intervention;
- or change the system so as to take control away from the LEAs (centralisation, total decentralisation or voucherism);
- or revert to the old system of giving teachers the money.

The way this choice is implemented - be it legislation, an Inquiry, a Review Body, or whatever - is solely one of mechanics. The fundamental decision is to choose the objective and then find the mechanism that will achieve it at least cost.

If it is decided to "give them the money", then ACAS may be the least damaging way of achieving this, both in political and financial cost. ACAS will no doubt cost more than the £1,250m allowed, but it seems most unlikely that an independent Inquiry would cost less or, indeed, achieve more for education. ACAS has the greatest chance of producing minor improvements (albeit not lasting ones) in the education system itself, because whatever results it does achieve will be produced by agreement between the teachers and LEAs.

The very worst sort of system would be one that cost money, achieved little for education, but undermined the whole basis of local authority finance: making it cost-free for LEAs to propose large pay rises for teachers. There is a real danger that a Review Body system, where the Government would have to honour whatever award was made, could bring exactly this about.

Review Bodies and Inquiries

Both the independent Inquiry and the Review Body are predicated on the assumption that these will be popular moves that will give the Government the locus to enforce unwelcome

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conditions on the teachers. This may prove to be untrue. The unions in England and Wales are most unlikely to welcome either an Inquiry or a Review Body, and are certain to oppose any recommendations on conditions of service that these bodies make. Public opinion will, as always, be fickle; it will not weigh the rights and wrongs of the case, but merely look to the Government to take action. The £1.25bn we have already promised the teachers has done nothing to improve the Government's ability to impose conditions on the teachers, and an Inquiry or a Review Body, whose membership and terms of reference are bound to be disputed, may have little more success. If doing this also means sabotaging an agreed ACAS procedure, then the national headlines can well be imagined.

Review Bodies work well where there is a proper balance of advantage and disadvantage on both sides. Thus, with the existing RBs, the Government effectively agrees (1) to be bound by the RB's recommendations but (2) is able to impose new conditions of service; whilst the unions effectively (1) do not strike and (2) know that the RB will take into account any changes in conditions of service. With the teachers, this balance of advantage and disadvantage to both sides does not exist. The Government is not able to enforce the conditions, and the teachers would not be prepared to give up the strike weapon.

With such a one-sided arrangement, there must be a very real danger that a teachers' RB would merely become an annual Clegg or Houghton award. Trying to remedy the lopsidedness by

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giving Government override powers is more likely to place the responsibility for disruption on Government, whilst still leaving the real authority to negotiate change with the LEAs who will continue to resist it.

An Inquiry may actually do less lasting damage than a Review Body. But until the fundamental problem of the LEAs' reluctance to enforce even the existing teachers' contracts is addressed, even an Inquiry can only be a holding action. Nevertheless, if such an Inquiry were established, then its terms of reference should be "how to produce better education, the pay and conditions of teachers, and the mechanism by which additional pay is only given to teachers after changes in conditions of service have been implemented".

Inquiries and Review Bodies are unlikely to deliver either peace or better education, but the real impact they could have is the unravelling of the whole of the public sector pay policy. The teachers would be the first group this Government has given in to, but there are many other groups with far better cases waiting in the wings.

Only changing the structure of the education system will remedy the inherent weakness of the Government's position. This could best be achieved by either centralising control of teachers, or by giving control of education back to parents (some form of voucherism). It may also be possible to achieve it through a total decentralisation which permitted a free market in teachers' employment. What cannot be allowed to

continue is the control of the teachers remaining neither with the paymaster nor the customer, but instead with LEAs, who seem neither to carry the can for the cost, nor for the poor educational results which they produce.

Conclusion

1. Taking control away from the LEAs is the only way to solve the real underlying problem in the education system.
2. If the teachers have to be given the money, then the best way to do this is by supporting ACAS rather than sabotaging it.
3. Continued non-intervention is the preferred course short of direct control. This could be best supplemented by:
 - making midday supervision work;
 - getting more standby teachers (or even parents) to cover for absent teachers;
 - increasing the propaganda offensive;
 - persuading a few Conservative-controlled authorities to sack teachers who are in breach of their contracts.

SCOTLAND

One way out of the present impasse - assuming that the NASUWT ballot in favour of the ACAS proposals - is for the Scottish

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Secretary to promise an Inquiry in Scotland, in the light of the conclusions of the ACAS talks in England and Wales (when these become known later in the year). This is a highly dangerous course, and should only be embarked upon if this promise holds a reasonable chance of the Scottish teachers at least temporarily ending their strike action. In practice it may give little away, as inevitably whatever comes out of ACAS will have ramifications for Scotland which it will be impossible to ignore.

We therefore recommend that no action should be taken in England and Wales until the ACAS talks come to fruition or break down; and that in the meantime, the pressing problem of examinations in Scotland should be tackled by:

1. Trying to get more examiners by:
 - vigorously approaching retired teachers;
 - approaching the universities;
 - looking within the Scottish Education Department;
 - looking South of the border.

2. Guaranteeing that all the written exams will be held, even if this means sending out Education Department officials (even Ministers!) as invigilators.

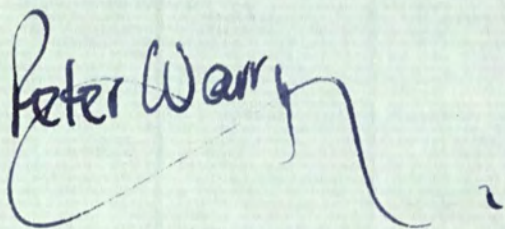
3. Guaranteeing that no student will go without qualifications as a result of the teachers' actions, even if this means lowering standards or awarding aegrotat

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certificates to those who might not have passed in any
event.

4. Encouraging universities both North and South of the
Border to devise their own contingent assessment tests.

A handwritten signature in dark ink, appearing to read "Peter Warry". The signature is fluid and cursive, with a long, sweeping tail that extends to the right.

PETER WARRY