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DEPARTMENT OF EDUCATION AND SCIENCE
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 FROM THE SECRETARY OF STATE

Prime Minister²
DW

The Rt Hon John MacGregor Esq MP
 Chief Secretary to the Treasury
 Parliament Street
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26 February 1986

See 102.

BURNHAM PRIMARY AND SECONDARY COMMITTEE - LONDON WEIGHTING

When the Burnham Committee meets on Friday it is possible that the teachers' panel will make an oral claim for an increase in London allowance from 1 April 1985.

If the NAS/UWT ballot produces a "no" vote, I am fairly certain that the management panel will simply receive any claim and defer a response until a future meeting. However, if there is a "yes" vote, we shall on Friday be starting the process of converting the ACAS provisional agreement into a formal 1985 pay settlement. In that event, it is possible that the employers may well wish to display a positive attitude by making a quick (and acceptable) offer on London weighting. In those circumstances, I cannot see that they would do other than offer to apply the 6.9%/8.5% general pay offer to the major London allowances (they might, as last year, halve the increase in respect of the fringe area.)

Should such a position be reached, we can be fairly certain that the two votes (out of 25) which my representatives have will not sway the balance. The choice is whether to use them, and be out-voted, or to abstain. By abstaining, I think we would avoid peripheral irritation with the Government and deny the employers and the unions (especially the NUT) the chance to make capital of what they will portray as the Government's negative attitude. Against this background, I propose to instruct my representatives to argue that the question of London weighting should be considered by reference to the considerations of affordability, recruitment and retention, to favour differential increases as between the fringe and other allowance areas, and to abstain in any vote to apply the 6.9%/8.5% increase (when that becomes the formal 1985 pay increase) to the London allowances.

Continued.....

I am sorry that this late possible addition to the Committee's agenda means that I must ask for any comments you may have by close of play on Thursday 27 February. (My representatives must leave for the meeting at 10.00am on Friday).

Copies of this letter go to the Prime Minister, Members of MISC 122 and Sir Robert Armstrong.

E. ...

Kear

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PRIME MINISTER

BURNHAM PRIMARY AND SECONDARY COMMITTEE: LONDON WEIGHTING

Sir Keith's letter below suggests that DES representatives on Burnham should abstain in a vote to apply the 6.9 percent/8.5 percent increase (ie, the ACAS proposal for 1985) to the London allowances.

DES clearly cannot vote in favour, and there is an argument that they should vote against. The Government believes that a general increase of that size for 1985 comes without concessions on terms and conditions and is for that reason excessive. Arguably, the Government should therefore vote against on London Weighting.

On the other hand, higher London Weighting helps meet a real problem in London and the Government has said it is in favour of allowing the ACAS process to continue. Abstention is consistent with that.

I suggest you should not intervene in the correspondence unless you disagree with this conclusion.

*Agree conclusion
ms*

DN

(DAVID NORGROVE)

SRWAPU

26 February 1986

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