

CONFIDENTIAL

CABG



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Sir Keith Joseph Bt MP
 Secretary of State
 Department of Education and Science
 Elizabeth House
 York Road
 London
 SE1 7PH

NBP 7.

25 March 1986

Dear Keith,

GOVERNMENT EVIDENCE TO THE ACAS PANEL

Thank you for sending me a copy of your minute of 24 March to the Prime Minister, requesting comments on the draft Government evidence to the independent panel.

WITH DN?

My main problem is with paragraph 6, which does not make clear in the way that your Written Answer of 19 March did, that apart from the 5 August offer the Government has made no new commitment to allow for extra spending on teachers' pay. The last two sentences do not relate the Government's willingness to provide extra funds to the remainder of the £1250 million, after deducting the midday supervision money, and thereby give the impression that unspecified and maybe larger amounts of extra money are available. I must therefore ask that the last two sentences of paragraph 6 should be replaced by the following passage:

"The Government remains willing to release the rest of these extra resources from 1986-87, by increasing public expenditure provision and contributing its share of the cost through the Rate Support Grant mechanism, if a satisfactory agreement can be reached. The Government has made no new commitment to allow for extra spending on teachers' pay. When the ACAS-assisted negotiations are complete, its conclusions will be considered in full by the Government."

I could not agree to the paper going forward without this change being made. If we could not reach agreement on such a formulation the only alternative would be to put no Government paper in and refer the panel to the 5 August statement and 19 March Written Answer.

CONFIDENTIAL

I have two other suggestions of which I attach greater importance to the first. I think we should state a positive preference for future arrangements providing for the negotiation of pay and conditions of service together. This would involve changing the last sentence of paragraph 5 to read as follows:

"The Government would welcome proposals for changes in current arrangements that would allow pay and conditions of service to be determined in the same forum as part of an integrated package."

Second, I would like to see a stronger reference to geographic variation of pay in the first indent to the fifth paragraph. I propose the first sentence should be revised to:

"the creation of a pay structure giving more pay to effective teachers and offering pay levels and promotion prospects which will attract, retain and motivate people of the right quality, including mathematicians, physicists and others in short supply and taking account of the recruitment and retention situation in different areas of the country."

I am copying this letter to the members of MISC 122 and to Sir Robert Armstrong.

Yours ever,
jl

JOHN MacGREGOR