



Chancellor of the Duchy of Lancaster

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16th May 1986

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education and
Science
Department of Education and Science
Elizabeth House
York Road
LONDON
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Prime Minister ²

X below will alert
Pice 122 to the fact that
work on educational reform
is going ahead (if they don't
know already).

This letter should have
been stopped by mine, recording
your views.

DLW
16/5.

D Keith.

SCHOOL TEACHERS' PAY NEGOTIATIONS IN ENGLAND AND WALES

I have read with interest your minute of 13 May to the Prime Minister. The outcome of the ACAS process looks very like the proverbial curate's egg. It is fairly evident that the reaction of some teaching unions will be to embrace what they like, and discard the rest. We may well again find ourselves unable to force an acceptable package on both conditions and pay, and equally unable to prevent a foolhardy agreement on pay alone.

Nevertheless, I agree with your view that we cannot seek to stop the ACAS exercise now.

You have proposed that, instead, we should proceed quickly with a consultation paper based upon a Government view that the Remuneration of Teachers Act 1965 should be repealed, and that a statutory review body for pay and other conditions of service should be established in the place of the existing (and wholly discredited) negotiating machinery.

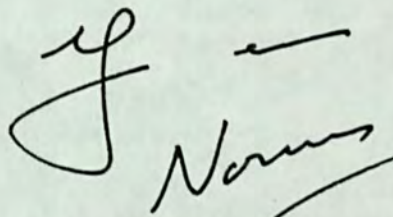
I do not see any reason to have more confidence in a review body of this kind to deliver rational judgements than the existing non-statutory review bodies. They have become oblivious to the affordability of their recommendations, have ignored considerations of recruitment and retention, and have relied disproportionately upon comparability. I therefore see no merit in adding a further review body, which once more places a major item of expenditure out of the hands of those with financial accountability for the service concerned.

Additionally, I do not think it will be understood why we take the step of initiating consultation on this separately, and in advance of, the conclusions of the ACAS inquiry. We may not have faith in its outcome, but the public believe, with some justification, that the ACAS inquiry and interim pay settlement have allowed a lull in disruption in the schools. This they no doubt heartily welcome. We disrupt this at our peril.

X | Finally, I do not think it sensible for us to propose consultation on options for the method of determining the major component of education expenditure, when we are in the midst of developing our views on the fundamental structure of responsibility for education. The method of determining teachers' pay and conditions may be a necessary bargaining counter for us to have in hand when we come to publish our proposals on education policy.

The farthest I would want to go at present is to announce our intention to repeal the Remuneration of Teachers Act 1965; we can hardly pretend that it is any longer an effective or useful Instrument. We can say that the arrangements to replace it will be the subject of detailed urgent consideration, and an early legislative opportunity will be taken to effect the change. The new arrangements would, of course, be the subject of consultation and take account of the results of the Scottish and ACAS inquiries.

I am sending a copy of this letter to the Prime Minister, to members of MISC 122, and to Sir Robert Armstrong.

A handwritten signature in black ink, appearing to read 'Norman Tebbit', with a stylized flourish above the name.

NORMAN TEBBIT



EDUCATION

TEACHERS

PAY

PT 7