

COBG



CONFIDENTIAL

Prime Minister

TEACHERS' PAY NEGOTIATIONS IN ENGLAND AND WALES

I have seen Kenneth Baker's minute of 4 June to you and I note the modifications in what he proposes as compared with Keith Joseph's paper of 13 May. I can see some logic in holding reviews at longer intervals, thus leaving the normal annual pay round where it properly belongs, between the local authority employers and the teachers; but I fear that 4 or 5 yearly reviews would be under at least as much pressure as the existing review bodies to base their findings on comparability at the expense of affordability. They would almost inevitably produce difficult catching-up demands. At the same time I fully recognise DES need to take some positive initiative very soon on the question of negotiating machinery.

As I said in commenting on Keith Joseph's proposal, it is important to me that we should decide fairly quickly what if anything we intend to do. My officials are to give oral evidence to the Main Committee on 19 June and 4 July. A meeting of MISC 122 before then would therefore be helpful. My officials will certainly be asked for a view on review bodies. Moreover the EIS, which unlike the other unions in Scotland is opposed to the idea of a review body on the present model, has just put in supplementary evidence to Main advocating precisely the alternative of a statutory quinquennial review, and the Committee may well want a Government view on this too. My main purpose in minuting is to seek clearance for the line I propose - subject to MISC 122 - officials should take.

On the general question of review bodies I propose that my officials should rehearse the objections that were raised in our own previous discussions. In particular,

they should emphasise that the other groups for which there are review bodies do not strike, either on principle or because they are debarred from doing so. A standing review body would certainly be attractive to Government if teachers were prepared in return to forego the right to strike. All the evidence so far suggests no willingness on their part to do so but if they were prepared to offer a no strike deal as a precondition of a standing review body we could certainly agree to consider the possibility further. If the question of a 5 yearly review is raised much the same objections can be advanced. I do not think officials should be drawn into comment on the merits of review bodies generally, which is in any case a subject outside the Committee's remit.

I shall be glad to know if this line is acceptable.

Copies go to members of MISC 122 and Sir Robert Armstrong.

MR

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12 June 1986

EAW01204



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