

# CONFIDENTIAL

CCB/dep

PRIME MINISTER

17 October 1986

MISC 122 : Teachers' Pay

The timing of the announcement

Kenneth Baker is set to pursue a high-risk strategy. This is his first public response to Coventry. Up till now he has encouraged it. A DES official attended the Coventry weekend. He has supported ACAS. And he has made encouraging noises to both unions and management. Sir John Wood (ACAS Chairman) is at present calling in all unions to see him individually with a view to taking things forward on the weekend of 8 - 9 November.

Against this background Kenneth Baker's announcement next Thursday that he is to impose a settlement will come as a bombshell. He is nevertheless sanguine about the outcome as

(a) Coventry has made little progress in discussing terms and conditions,

(b) the generosity of the deal itself (far better than even what the unions agreed at Coventry), and

(c) the new Advisory Committee being interim rather than permanent.

While his strategy might well succeed ultimately it will not be without a great deal of insult and injured pride. He needs to consider whether it would be best to allow the weekend meeting to go ahead and then step in after it has failed, as fail it certainly will.

Specific points which need to be noted.

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## 1. Presentation

The document is headed "Government Decision on Schoolteachers Pay". This is incomplete and fundamentally misleading. This deal is a major restructuring of the teaching profession in which duties, terms and conditions are as vital as pay itself. If this is presented as yet another pay deal its whole effect on the public sector could be disastrous.

### Recommendation

Make sure that both Baker and Rifkind do not announce it as a settlement on teachers pay - but something far more comprehensive.

## 2. Conditionality

In each of the phasing options there is a major difference between the recommendation for Scotland and that for England and Wales. Scotland is awarded the higher pay, conditional upon an agreement on pay structure, duties and conditions. England and Wales is awarded the higher pay without any reference to conditionality. This will certainly deter union opposition. But it will be a disastrous move. In view of the unions' reluctance to agree terms and conditions at Coventry, there is no guarantee whatever that if they are given their money they will then deliver the Main conditions.

### Recommendation

Not a penny of the generous Main settlement should be paid until the unions have signed up for its conditions.

*or enough teachers are ready to reject their unions' advice, pay only to those who accept the terms?*

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## 3. Salary Bills and Pay Scales

There is another important difference between the proposals for Scotland and England and Wales. Option 1 for Scotland is a 16% increase in the pay bill, but with some teachers getting less and others, especially headmasters, considerably more. By contrast Option 1 for England and Wales is 8.2% on existing scales, and then 8.2% to be distributed by the new advisory body. This is quite different from Main's recommendation. Once again the unions are likely to accept the first stage and then predictably, threaten industrial action at a later date over the second. Worse still 8% could easily become the going rate this winter for the pay round in the public sector.

### Recommendation

England and Wales should be implemented in a similar manner to Scotland.

## 4. Options 1-4

Option 1 would minimise conflict with the unions but is expensive. But this front-end loading makes it very expensive. Phasing has been accepted by other professions and should be tried in this case.

### Recommendation

Opt for Phase (ii).

## 5. Advisory Committee

It is important that the function of this Committee is limited to advice on pay, terms and conditions and does not extend to monitoring results, for reasons given in my

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earlier note.

## Recommendation

If the DES wishes someone to monitor the implementation of Main, why not use the local Authority Audit Commission.

## 6. Decentralisation

Important that he make it clear he is not creating just a National Education Service.

## Recommendation

Ensure that his radical options paper sees the light of day in the foreseeable future.

*promised for the end of next week.*

*B.G.*  
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BRIAN GRIFFITHS