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DEPARTMENT OF EDUCATION AND SCIENCE
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FROM THE SECRETARY OF STATE

David Norgrove
10 Downing Street

30 October 1986

Dear David,

SCHOOLTEACHERS' PAY AND CONDITIONS IN ENGLAND AND WALES

1. I attach a ^{revised} ~~raised~~ version of the statement the Secretary of State intends to make this afternoon. The draft seeks to take account of comments made by Ministers overnight and of points made at the Cabinet discussion this morning.
2. On paragraph 9 on page 3, the Secretary of State feels strongly that to make the statement credible the possibility has to be left open that his terms and conditions will be signed up for. The advisory committee would then not have a direct role for 1987 - its first role would be for the next year. The wording is therefore designed to cover this as well as the possibility of the committee advising on the Main envelope distribution.
3. I'm afraid that I have to ask for any further comments on the statement by 2.15pm today, when the text must be finalized.
4. I am copying this letter and the attachments to Private Secretaries to ~~and~~ the Chief Secretary and the Secretaries of State for Environment, Scotland, Wales and Northern Ireland, the Paymaster General and to Trevor Woolley at the Cabinet Office.

yours sincerely,

R L SMITH

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DRAFT STATEMENT BY THE SECRETARY OF STATE

1. With permission, Mr Speaker, I wish to make a statement about school teachers' pay and conditions of service in England and Wales.
2. For more than 2 years the local authority employers and the teacher unions have been negotiating about school teachers' pay and conditions. During this time the education of the children in our schools has been repeatedly disrupted. The children have been the victims. The local authorities and teacher unions sought help from ACAS because they were unable to reach a settlement within the Burnham Committee. Limited progress has been made as a result of ACAS's work. Some "heads of agreement" were negotiated at Coventry in July, but little has been achieved since then. Now, scandalously, further disruption is threatened. A further negotiating meeting is planned for 8 November at Nottingham. I must make the Government's position clear.
3. We now also have the Main Committee's report about pay and conditions of service for school teachers in Scotland. My rt hon Friend will shortly make a statement giving the Government's response to that report. The Government regards the recommendations in that report relating to the teachers' pay structure, and to their duties and conditions of service, as well judged. We consider that similar arrangements should be adopted in England and Wales, although existing differences in practice mean that it is not appropriate to seek to apply the Main Committee's findings in their entirety to England and Wales. I am therefore writing today to the Chairman of the Burnham Committee's Management Panel explaining the additional resources the Government is willing to make available for teachers' pay in England and Wales; and spelling out our conditions for releasing those resources. I have placed a copy of that letter in the Vote Office.
4. The Government will make additional resources available only when two very important conditions are delivered. First, there must be a pay structure with differentials which reflect the varying responsibilities of teachers and the need to recruit, retain and motivate teachers throughout the school system and

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at all stages of their careers. The pay structure envisaged at the Coventry meeting in July does not meet this condition. A structure more in line with the recommendations in the Main Committee's report is necessary, and I have set out such a structure in the letter which I have put in the Vote Office. All teachers will receive higher pay; more than half of them on promoted posts reflecting varying responsibilities. The crucial importance of head teachers, who carry the biggest responsibilities, will be recognised.

5. The second condition is that teachers' professional duties must be more sharply defined and clarified leaving no room for ambiguity about their duties and this must be carried through into enforceable contracts of employment. Contracts and conditions of service must be brought into line with the nineteen points under discussion at the Coventry meeting. In particular school teachers should be under an express contractual obligation to cover for absent colleagues, and to be available to work at the direction of head teachers for 1300 hours over 195 days each year. All of this is set out in more detail in the letter I have placed in the Vote Office.
6. In return for delivery of these conditions teachers' pay would be increased in two instalments. The first instalment would increase average school teachers' pay by 8.2% from 1 January 1987 and the second instalment would be a further 8.2% from 1 October 1987. These two instalments would cover the full percentage increase in average school teachers' pay implied by the Main Committee's recommendations. This would settle teachers' pay for 1986-87 and 1987-88. The increase of 8.2% from 1 January means that teachers' pay will have increased by over 16% since 30 March this year. Teachers will have had an average 25% increase over the two years to October 1987. This means that a scale 1 teacher on the top of the scale today receives £9,800 and by October of next year would under my proposals receive £11,400, an increase of £130 a month. A good honours graduate in his third year would receive after two years' of teaching £10,000, an increase of about 20%. The head of the largest comprehensive would get an increase from £26,250 to £30,500. These are big

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increases which are only justified by the fundamental change in the terms conditions and structure of the service which must accompany it.

7. If and only if these conditions are met is the Government prepared to add £118 million in 1986-87 and £490 million in 1987-88 to planned expenditure on education in England and Wales. Education GREs would be increased accordingly. Block grants to local education authorities would be increased by £56 million in 1986-87 and £200 million in 1987-88. The cost of these increases would have to be shared by taxpayers and ratepayers. We estimate that rates would increase by between 2% and 4% compared with the decisions that local authorities would otherwise have taken.
8. I hope that the meeting at Nottingham will accept the position I have outlined. I look to the employers and unions to act quickly and positively. I must make it clear that the matter must now be resolved on all the terms and conditions I have set out. The Government will not be prepared to amend them further, or make any additional resources available.
9. Now let me turn to the future. Over the last few years it has become widely accepted that the present negotiating machinery should be replaced. The Government therefore intends to repeal the Remuneration of Teachers Act and to bring forward proposals to this House for new machinery which will involve an interim committee to advise the Secretary of State on conditions of service and the distribution of pay within the resources available at the appropriate time.
10. The Government is making these proposals in the interests of the whole country. I believe they will be seen as fair and continued disruption will be seen to be unforgivable in these circumstances. My proposals constitute a very special offer for very special people - the children of our nation.

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