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cc press office ON.

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Pomie Quister 2.
The news about the management panel seems good, as far as that goes.

TEACHERS' PAY, ENGLAND AND WALES

State of play, 30 August PM

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Earlier this week the largest schoolteacher union (NUT) announced plans to intensify disruptive action in schools and to ballot on half-day strikes and selective 3-day strikes. The ballots will be held next week, coinciding with the TUC conference. It is said that the NUT plan to time selective strikes to coincide with party conferences. The second largest schoolteachers' union (NAS/UWT) has also announced plans to intensify action, but from 1 October in their case. The National Association of Head Teachers (NAHT) has offered advice to members facing extreme difficulties in keeping schools running during strikes and disruptive action: the effect is likely to be rather more school closures.

Not attached - but you have already seen.

The Secretary of State has denounced teacher plans to step up disruption - copy of his press statement attached.

2. The management panel of the Burnham Committee met this morning. They had before them a text prepared by officials which seeks to reconcile the Secretary of State's 5 August initiative with the employers' previously stated restructuring ambitions. The Secretary of State has discussed those proposals with the employers' leader, and told her that he sees no "killing objections" to the compromises under consideration: his points of difficulty have been communicated separately at official level. This text was discussed by the management panel in broad terms only, but it was agreed to seek to promote a reform package along those lines with the teachers, thus releasing the additional resources conditionally offered by the Secretary of State on 5 August.

3. The management panel has now requisitioned a Burnham meeting, which under the rules must take place in the next 2 weeks ie on or before 13 September. The employers will be seeking a settlement taking account of 1986 as well as 1985 - as the Secretary of State urged in his statement yesterday. The unions will be reluctant to negotiate on this basis - the essence of their position is that their 1985 claim must be settled before they address 1986 issues, that the 1985 claim must leave them no worse off in real terms and be above the increase in average earnings (we infer that they demand an end-of-year increase in excess of 7.5%), and that the employers should declare support for a phased return to the levels of pay established by the Houghton Committee in 1984. The employers continue to maintain that they could not agree to those propositions,

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lest they end up with a 1985 pay increase and commitments for the future with no additional resources allowed by Government.

Line to take

The Prime Minister will wish to welcome the management panel decision to reconvene the Burnham Committee; to repeat that negotiations on the Government offer of substantial additional resources for 1986/87-1989-90 represents a real way forward; and to express the hope that the unions will enter into serious negotiations with their employers on the basis of that offer. Meantime renewed disruption of children's education just cannot be justified.



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