



pa how.  
(no need for  
ack to DES).

10 DOWNING STREET

Prime Minister

DES read this over to  
me before sending it.

The leak to the Guardian  
(my guess is DOE again) may  
have had a material effect  
on the outcome of the  
meeting.

Unless discussion with  
the Policy Unit and Stiles  
on Sunday suggests a need  
to consult you further, I  
would intend simply to  
write on your behalf.

DES

4/10.



DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

David Norgrove Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

4 October 1985

Dear David,

TEACHERS' PAY (ENGLAND AND WALES)

1. Herewith a brief updating of the position following today's meeting of the Burnham management panel.

2. *attached* The Chairman, Mrs Harrison, pressed hard, on the basis of today's Guardian article, for confirmation or amendment of the Government's position as presented by the Secretary of State when he met her on 13 September (immediately after the Burnham rejection by the teachers but before the AMA broke ranks). The "highlight" questions and the answers given by the Secretary of State's representatives are attached as Annex A. Discussion within the panel made it clear that the Guardian story was widely believed and that Labour members at least expected some movement from the Government during the Party Conference.

3. AMA then moved the resolution attached as Annex B, still claiming that the panel had been misled by Government over the possible availability of resources beyond the October RSG deadline. Before the vote the Government position on resources for 1985-86 and beyond was repeated. The resolution was carried by the Chairman's casting vote. Mrs Harrison then declared her intentions. First a meeting with Mr Jarvis of the NUT. If that yielded the basis for a 1985 settlement she would then convene a meeting of all LEAs to consult them about the position - decisions remaining with the panel of course. If it did not produce that result she would immediately reconvene the panel. She did not pursue that part of the presentation dealing with a meeting with Sir Keith Joseph; the signs are that she will want to delay that until after the Party Conference (she may also want to see first what may be possible between herself and the unions).

4. Sir Keith will be issuing a press statement tonight simply giving the answers at Annex A and confirming his willingness to meet the employers, as early as Monday if they wish.

5. We therefore remain broadly on course for our Secretary of State's speech to Conference to be along the lines of the outline attached as Annex C to the report enclosed with his minute to the Prime Minister of 2 October (amended of course to take account inter alia of the comments received from the Prime Minister and Chancellor).

6. Copies of this letter and enclosures go to the Private Secretaries to the Chancellor, Members of E(PSP), the Lord President, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Scotland, Wales and Northern Ireland, and to Sir Robert Armstrong.

Yours sincerely,  
Rob

R L SMITH  
Private Secretary

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Q.1 We have been told that 1986/7 RSG must run from 11 October - with just a few days' grace possible only - with or without the £200 million addition for RSG. But would the Government be willing to add to local authority expenditure for 1986/7 at any later date, using whatever mechanisms might be available to it?

A. The August offer of £200 million in 1986 and £1,250 million ~~from~~ <sup>over</sup> 1986/90 envisaged £200 million extra in the RSG settlement for 1986/7. The Secretary of State has repeatedly explained that agreement is needed by 11 October (with a few days' grace) because of the RSG timetable. If a satisfactory agreement is not achieved within that timetable the Secretary of State will certainly be willing to consider whether there is any different way in which the Government can help. That consideration <sup>would</sup> ~~will~~ depend on the positions taken by the Teachers and Employers. <sup>But</sup> the Employers must be clear that the Government's present offer would fall and that no follow up offer exists. Also there could be no question of any more resources than already proposed; and any deal would have to meet the conditions set out in the 5 August statement.

Q.2 Is the Government willing to make a separate addition to local authority expenditure to allow employers to deal separately with mid-day supervision if there is no agreement on an overall structure package?

A. The Secretary of State wants to see mid-day supervision settled as part of a complete package. But the ACC has already asked again for <sup>separation</sup> ~~supervision~~ to be considered, and he is now aware of the second question posed this morning. He is considering that request for review. Is there any specific proposal that the Employers might wish to make? →

If the Employers wish to press for separation, can they offer ways in which they could guarantee the money would be spent on supervision and ensure supervision against future industrial action in support of teachers' pay claims?

BURNHAM MANAGEMENT PANEL 4 OCTOBER 1985

1. THE MANAGEMENT PANEL RELUCTANTLY ACCEPTS THAT A SETTLEMENT ON PAY ALONE FOR 1985/6 IS THE ONLY WAY FORWARD IN ORDER TO SECURE DISCUSSIONS ON A NEW STRUCTURE.
2. THE MANAGEMENT PANEL, THEREFORE, AUTHORISES ITS LEADER TO SEEK A MEETING WITH THE LEADER OF THE TEACHERS PANEL TO DISCUSS THE BASIS UPON WHICH SUCH A SETTLEMENT CAN BE SECURED PRIOR TO A MEETING OF THE FULL BURNHAM COMMITTEE.
3. THE MANAGEMENT PANEL FURTHER REQUESTS A MEETING WITH THE SECRETARY OF STATE TO SEEK ADDITIONAL GOVERNMENT FUNDING FOR THIS YEAR'S SETTLEMENT AND TO DISCUSS THE STANDING OF FUNDING FOR THE STRUCTURE PACKAGE (INCLUDING MONIES FOR MID-DAY SUPERVISION) PARTICULARLY IN THE LIGHT OF THE LATEST INFORMATION REGARDING THE 11 OCTOBER DEADLINE.

[CARRIED BY CHAIRMAN'S CASTING VOTE AFTER A 13-13 TIE.]

# Joseph to climb down in teachers' pay dispute

By Sarah Boseley,  
Education Correspondent

The Education Secretary, Sir Keith Joseph, is planning a climbdown from the Government's hard line on the teachers' pay dispute when he speaks to the Conservative Party conference next Wednesday.

Sir Keith intends to let it be known that the October 11 deadline he has so far rigidly imposed for agreement on teachers' duties — in return for £1.25 billion extra for pay from 1986-90 — is now flexible.

He will indicate that he can make the money available up to the end of the year if teachers will sign an agreement on charges in their salary structures and conditions of service which he believes will offer better teachers better pay and promotion prospects. Sir Keith also plans to offer local education authorities £40 million immediately out of that money to pay for lunch-time supervision by teachers of other staff.

This softening of the Government's previously tough stance is a result of the new

alignment by an influential, Labour-led faction of the teachers' employers.

The management panel of the Burnham Committee, which negotiates teachers' pay, will decide today whether to back proposals from the Association of Metropolitan Authorities (AMA) to offer teachers a no-strings rise for 1985, dissociating itself from the Government's restructuring ideas. The unions have refused to talk about restructuring before the 1985 rise is settled.

If the panel, as is considered fairly likely, agrees to drop restructuring for the time being, the October 11 deadline will pass without agreement. Sir Keith is committed to the changes and the local authorities and unions agree in principle that they are long overdue.

Extending the deadline will provide a cash inducement for talks after the strikes and disruption end. He has often said that the deadline was set because the money would be provided as part of the rate support grant—about half paid by Government and half by the authorities—and therefore has

to be included in the bill to go before Parliament in the coming session.

Mrs Thatcher reiterated this last week in a letter to Mr John Pearman, deputy leader of the employers' side, but stopped short of saying that the deadline was immovable. The money could be the subject of a supplementary bill as late as December or January.

Sir Keith saw no reason to be flexible while the employers were aligned with him and fighting to reach agreement with the unions before October 11. With the likely change of tack today, and less than a fortnight before the deadline, he sees his own shift of position as inevitable.

He will demand a more detailed agreement on restructuring than the "in principle" commitment he was willing to accept before and will not concede to any request from the local authorities for more money to pay teachers for 1985.

The end to nine months of dispute depends on whether the local authorities can find at least 6.9 per cent, end-

Turn to back page, col. 4

## Joseph climbdown

Continued from page one  
loaded to more than 7.5 per cent, to meet teachers' minimum demands. The picture varies from one authority to the next, but the most any has budgeted for is 5 per cent.

However, most have contingency funds which they could draw on, and a small amount has been saved through the interest on money set aside at the beginning of the year to pay the teachers' rise.

If Sir Keith goes ahead with his plan to offer the local authorities immediately the £40 million from the package that was always intended for lunch-time supervision payments, it may cause some resentment from the union which have refused to cover lunch-times as part of their industrial action. Other staff could be paid to cover in their place.

Next month, or early in December, the National Union of Teachers, the largest and most militant union, will be deprived of its majority on the Burnham Committee, which it has often used to veto the stance of the moderates. The National Association of Schoolmasters/Union of Women Teachers, the next largest, will then be in an important position. It is in favour of restructuring, although not in the way Sir Keith wants.