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DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
Treasury
Parliament Street
London SW1P 3AG

12 December 1985

In Nigel,

TEACHERS PAY (ENGLAND AND WALES)

The Burnham Management Panel met yesterday. The employers took the view that they should respond to the teachers' willingness to hold informal discussions and a meeting has now been fixed for 17 December: one of my officials will be present. The employers repeated their October request for a Royal Commission or some other kind of independent inquiry into pay, structure, conditions and negotiating machinery; they also confirmed that their 6.9/7.5% offer stood unchanged with the only condition attached being an immediate end to disruption in schools. None present thought that the informal discussions were likely to be productive.

I met Mrs Harrison, the Management Panel's leader, today. She confirmed the wish to see some kind of independent inquiry and was pessimistic about resolution by any other means.

A meeting of the officers' study group which supports the employers in these matters was held this morning. I should report that there were clear signs of a wish to resurrect the employers' November 1984 package. That had weaknesses as regards differentiation, incentives and management of schools and was in any case described by me at the time to be out of reach financially. My officials pressed for continued support for the September 1985 package, which carried the unanimous endorsement of the management panel at that time and which was constructed to fit our £1250m 4-year conditional offer. But most of the Chief Education Officers present were better disposed towards the earlier employers' package and I fear that it will be publicly resurrected by the employers.

I am sending copies of this letter to the Prime Minister, the Lord President, Norman Tebbit, members of E(PSP), the Secretaries of State for Scotland, Wales and Northern Ireland and to Sir Robert Armstrong.

Ericson Keir

