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PRIME MINISTER

SCHOOL TEACHERS : FUTURE PAY DETERMINATION ARRANGEMENTS

Limited disruption of schools is continuing. Some 2% of schools are likely to be affected this week, mainly by half-day strikes. The NUT and NAS/UWT are announcing tomorrow further disruption for subsequent weeks. It is too early to say whether disruption would continue during an election campaign but the unions will come under pressure from the Labour Party to stop disruption if an election is called.

The Government's proposals on pay have largely been accepted. The unions now hardly mention pay, although you and I have both emphasised strongly the big increase in pay which teachers are receiving. The conditions of employment set out in the Order now before Parliament have not generated major controversy other than on one or two specific issues such as cover, which will generate localised action by the militants. For all the rhetoric of the Easter conferences, the guidelines issued by the NUT and NAS/UWT are telling teachers to act in a way which is not in breach of the Order.

The bone of contention with the teacher unions is 'negotiating rights'. The NUT and NAS/UWT have now asked to see you to press for a commitment to the 'restoration of negotiating rights by April 1988'. In my view they will continue to campaign on this issue throughout an election campaign, leafleting homes and demanding a clear commitment by the Government.

Following discussions last weekend with some of our candidates and with MPs, I am clear that a further step is desirable. I am also being pressed by the Professional Association of

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Teachers, who have been a great support to us, to take a further initiative. In my view I should firmly promise consultations in the autumn about new permanent machinery, and say that I aim to set up that machinery for 1989. I also intend to spell out for all teachers that in the meantime the unions will be consulted by the interim advisory committee.

There is to be a debate next Tuesday about the Order on pay and conditions of employment now before Parliament. I propose to take the following line in that debate:

- a) The Burnham machinery broke down. It is discredited. It is being temporarily replaced by the Interim Advisory Committee.
- b) It will be for the Interim Advisory Committee to advise on the April 1988 pay settlement. It will be composed of independent minded people. The whole Committee will be appointed by the summer. It will consult the employers and the unions.
- c) The Government wants an effective and permanent machinery for settling teachers' pay in which the interests of all parties will be recognised. The Government will work towards trying to reach an agreement involving all the parties in time for legislation to be enacted so that new machinery is in place for the April 1989 pay settlement.
- d) To that end the Government will circulate a consultation document by the end of the summer term setting out the key issues and a variety of alternative possible solutions. These will include a statutory negotiating committee, non-statutory negotiations, and other options such as the development of the interim advisory committee machinery. It will also examine suggestions for separate arrangements for heads and deputy heads.
- e) The Government will then enter into consultation

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with all the interests in the autumn to try to reach agreement.

I then envisage writing to all head teachers before the end of next week telling them of our intentions and making clear that the Government does not want to be the determiner of teachers' pay and conditions. I shall explain to them and their staff that the unions will be fully consulted by both the interim advisory committee and by me before the April 1988 determination is made - it is therefore not true that the unions will have no part in the process. It will of course be necessary to ensure that the letter is limited to a factual exposition of the Government's intention.

I think it will be important over the next few weeks not to prejudge the outcome of consultation on the Consultative Document by saying that we will restore "negotiating rights". "Negotiations" as the unions understand them may not prove to be the best long-term solution.

I understand that a meeting is being called for Thursday to discuss these proposals.

I am copying this minute to Willie Whitelaw, Nigel Lawson, Nicholas Edwards, Norman Tebbit, David Young, Malcolm Rifkind and Sir Robert Armstrong.

KB

28 April 1987

Department of Education and Science

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