



PRIME MINISTER

REMIT TO THE INTERIM ADVISORY COMMITTEE ON SCHOOL TEACHERS'
PAY AND CONDITIONS

Lord Chilver's Committee, whose members I appointed towards the end of July, will be holding its first meeting before the end of this month. I need in advance of that meeting to give the Committee some indication of the nature of their task. I enclose drafts of a formal letter of direction (under Section 2 of the Teachers' Pay and Conditions Act 1987), together with an informal letter of guidance, which I would propose sending to Lord Chilver later this month.

2. Officials of the other departments concerned have seen these drafts, and have not proposed any changes in the matters (paragraph 1 of the formal letter) to be referred to the Committee. But there remains one important outstanding issue on which Ministers need to reach a collective view: whether or not the Committee should be directed to keep the overall cost of their recommendations within a specified numerical ceiling. The Treasury have suggested a figure of 3.8 per cent, in line with the increase in total provision for local authority current expenditure in 1988-89.

3. I can see the advantage, from the standpoint of public expenditure control, of giving the Committee a specific maximum figure. But I believe nonetheless that it would be a serious mistake for the Government to seek to tie the hands of the Committee in this way at the outset of its work. There are a number of reasons:

- a. Such a figure would inevitably be seen as a pay norm (and in practice a pay floor). We as a Government have set our faces firmly against any attempt to impose such norms.

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- b. It would be very difficult to defend imposing a pay norm only on school teachers, and not on any other occupational group in the public services sector.
- c. The imposition of such a ceiling would be seen throughout the teaching profession as completely undermining the independence and authority of the excellent Committee we have appointed. It could well renew teachers' flagging support for disruption in schools.
- d. There is real doubt whether the Committee would be willing to serve if the Government constrained its remit in this way.

4. I appreciate, of course, the need to do all we can to emphasise the question of affordability, and to minimise the risk that the Committee's recommendations will prove incompatible with public expenditure provision for local authority services. I have sought to give the Committee a strong steer in the informal letter of guidance, where I specifically invite them to pay particular attention to the latest Public Expenditure White Paper and to next year's RSG settlement. These points can be further reinforced in the evidence the Government itself submits to the Committee. I hope that you, and E(EP) colleagues to whom I am copying this minute, will agree, on reflection, that I should go no further at this stage.

5. I am copying this minute to other members of E(EP), and to Sir Robert Armstrong.

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Department of Education and Science

7 September 1987

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DRAFT LETTER FROM THE SECRETARY OF STATE TO LORD CHILVER

1. I am grateful to you and your colleagues for agreeing to be members of the Interim Advisory Committee. I understand your first meeting is to be on Tuesday 29 September. The purpose of this letter and its enclosure is to set out in advance of that meeting the issues on which the Government now seeks the Committee's advice.

2. As you know, the Committee has a statutory basis. Sub-sections (1) and (4) of Section 2 of the Teachers' Pay and Conditions Act provide that:

"The Secretary of State shall appoint an Interim Advisory Committee on School Teachers' Pay and Conditions to examine and report to him on such matters relating to the remuneration and other conditions of employment of school teachers in England and Wales as he may refer to them."

"The Secretary of State may give directions to the Committee with respect to matters referred to them as to considerations to which they are to have regard and financial or other constraints to which their recommendations are to be subject, and as to the time within which they are to report to him."

3. Section 2, sub-section (5) provides that the Committee shall give notice of matters referred to the Committee and of any relevant directions to the appropriate associations of local education authorities and any individual local education authority with whom consultation appears desirable, bodies representing the interests of governors of voluntary schools and organisations representing school teachers, so as to afford them a reasonable opportunity of submitting evidence and representations.

... 4. I attach a formal letter setting out the matters on which the Government now seeks the advice of the Interim Advisory Committee, together with some formal directions. Paragraph 2 (ii) refers to the Government's plans for local authority expenditure. I have particularly in mind here the plans set out in the Government's latest Public Expenditure White Paper (Cm 56), the statements made by the Secretaries of State for the Environment and for Wales on 23 July about local authority expenditure in 1988/89 and the forthcoming Autumn Statement on public expenditure and RSG settlement for 1988-89.

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DRAFT FORMAL LETTER FROM THE SECRETARY OF STATE TO LORD CHILVER

1. In accordance with Section 2 of the Teachers' Pay and Conditions Act 1987 I invite the Interim Advisory Committee to examine and report on the following matters.
 - (i) What changes should be made in the figures for salaries and allowances, and other details, set out in the Pay section of the School Teachers' Pay and Conditions Document 1987 with effect from 1 April 1988.
 - (ii) Should there be any modifications to the provision for differentials within the pay structure? In particular do the differentials between heads' salaries and deputies' salaries and between heads' and deputies' salaries on the one hand, and other teachers' salaries on the other, reflect appropriately the responsibilities of heads and deputies in primary and secondary schools (including special schools)?
 - (iii) Should there be any modifications to the definition of teachers' duties and working time?
 - (iv) Should there be any change in London area allowances and should any other regional variations in salaries be introduced?
 - (v) Is the existing social priority allowance still appropriate?
2. In considering these matters I direct the Committee under sub-section (4) of Section 2 to have regard to the following considerations.
 - (i) The School Teachers' Pay and Conditions Document 1987 sets out a new pay structure and a new definition of teachers' duties and working time. It was prepared taking account of work undertaken during the long period of discussions between the local authority associations and the teachers' unions with the assistance of ACAS, the recommendations in the Main Report, and views expressed in consultations with local education authority associations, teacher unions and bodies representing the interests of governors of voluntary schools. The Government does not intend to make major changes to the pay structure or to the definition of teachers' duties and working time for 1988-89.

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- (ii) [The Government's view is that school teachers' pay and conditions of service should enable the maintained school system to recruit, retain and motivate sufficient teachers of the required quality within what local authorities can afford and the Government's plans for local authority expenditure.

My Department will in due course place evidence before the Committee in relation to these matters.

3. I further direct the Committee to report to me the results of their examination of these matters, with their recommendations and such other advice relating to these matters as they think fit, by 31 March 1988. Section 2 (7) of the Act requires me to arrange for your report to be published.