

CONFIDENTIAL

CEB9



PRIME MINISTER

THE IAC

*mt*  
*Prime Minister 2*  
*This seems satisfactory, but I have asked the Treasury to make absolutely sure.*  
*DW*

1. Henry Chilver asked to see me privately about the operation of the IAC and I saw him without any officials present on Tuesday afternoon. It was a very useful meeting. He sees the role of the IAC as clearly defined in the statute namely that it should operate under directions from the Secretary of State and that it should then receive evidence and come up with its recommendations. 22/9.

2. I explained to him what we had in mind for the first remit, namely that, as the new structure of teachers' pay has just been established this year, we would not want any fundamental change in it in 1988-89. But we would want the Committee to examine the relative position of heads and deputy heads. We would also want them to look at the question of London Weighting. He believed that this was a sensible way to approach the work of the IAC in 1988-89.

3. We then discussed the financial framework of the Government's direction to the Committee. He was quite clear that any percentage figure relating to pay would not be the best way for the Committee to operate. It would suck them into the whole question of a possible national pay policy. Any figure would be likely to be seen by some member of his Committee as a floor - and certainly by the unions and the outside world - and it would be an open temptation to go above it. I then discussed with him the question of a cash sum, which would have to be consistent with our expenditure plans and the RSG settlement yet to be made. He thought this was a very much better approach. He thought it would be unreasonable for members of the Committee to say that they should not operate within the expenditure plans set out by Government. My officials



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re at the moment discussing with Treasury and DOE officials what such a sum should be and how it should be presented.

4. The first meeting of the Committee is on 29 September. I specifically asked Henry whether the remit that we have been talking about should be sent by that day. He felt it would not be necessary. He envisaged that at the first meeting the members would get to know each other. They would agree a method of working, and an approximate timetable. He sees it as an opportunity for him to explain how the Committee will work and how they will expect to receive guidance and a direction from the Government. I found this encouraging, and I am sure that we should leave this first meeting to Henry to handle in his way. We can rely on him to make it clear that the Committee will be working within the clear framework established by the legislation.

5. I shall however need to give the IAC their remit shortly after 29 September. I will let you have my detailed proposals for that as soon as possible.

6. I am copying this minute only to Willie Whitelaw, Nigel Lawson and Nicholas Ridley.

k.b.

KB

Department of Education and Science

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