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Prime Minister (4)

PRIME MINISTER

RAISING STANDARDS IN SCHOOLS

1. I am at present engaged in a review of our policies for improving standards in schools with the objective of securing, during the life of this Parliament, significant improvements in both classroom work and standards of behaviour. I plan to let you and the other recipients of this minute have a paper outlining what I propose in about a month's time.

2. There is one point which I feel I must call to your attention - and that of the Chancellor and the Chief Secretary - in advance. I am convinced that policies to improve standards need to include arrangements for removing some of the weakest head and assistant teachers, much more rigorous selection and training of new teachers and heads, and more effective management by local authorities and head teachers of their teacher forces. Much of what is required was proposed in our March White Paper Teaching Quality (Cmnd 8836); and we are now starting to introduce the changes in the teacher training field.

3. I now need to move firmly towards altering the pay structure and conditions of service of teachers. We need a clear statement of the professional responsibilities of school-teachers, enforceable by contract; the introduction of a system for assessing the performance of teachers and head teachers to govern promotion, deployment and disciplinary decisions (including dismissal where necessary); induction arrangements which will prevent weak teachers becoming established in the profession; and a more discriminating salary structure which will enable employers to encourage, motivate and reward the best teachers while keeping them in the classroom. A system for assessing the performance in post of teachers and head teachers is likely to be

An extra £150m
for teachers' pay - and

half of it new money.

Ann's Treasury view?
MS 22/9

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critical. As you realise, I control not a single one of these factors. They all have to be negotiated between the LEAs and the teacher unions.

4. Discussions in the Burnham context about the pay structure, opened as a consequence of the 1981 pay settlement, have moved - hesitantly on the teachers' side - into this territory. The complexity of these discussions is increased by the fact that pay consequentials will fall to be settled within the Burnham Committees where my representatives are statutorily involved. Contractual matters lie outside Burnham and are primarily matters for LEA employers and teacher employees. The prospects of a successful outcome are as yet uncertain, but, if the negotiations are to be pursued seriously, I shall soon have to indicate to the leaders of the local authority negotiators (particularly Philip Merridale and Mrs Harrison, the Chairmen of the education committees of the ACC and AMA) my support for the broad principles and some recognition that, if an acceptable and achievable deal should emerge, it may have a price. It is impossible to be precise about this. But I propose to indicate to Philip Merridale (but probably not to Mrs Harrison) that, while there can be no question of Government commitment at this stage to any additional resources for teachers' pay, he need not rule out of his thinking a deal with a net cost (ie over and above annual pay settlements) of up to 3% of the school teachers' pay bill - around £150 million a year - from 1985 or 1986. Unless I am able to give him some encouragement along these lines, I doubt whether he will judge it worthwhile energetically to pursue the sort of improvements I want to see, which would firmly and systematically bite on what is required of teachers and the assessment of whether they measure up to those requirements.

5. Of course I must look hard for offsetting savings elsewhere in the education programme, and I have already embarked upon this work. The Audit Commission's work may be a help, and I will report my conclusions in the fuller paper to which I referred above. But it would be wrong of me not to record here that my present

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assessment is that, for a year as early as 1986-87, it would be difficult to deliver savings amounting to as much as half of the £150 million; and even such savings so soon could very well oblige us to incur political costs which colleagues have resisted in the past - eg cuts in the real value of student grants.

6. Unless I speak to Philip Merridale and Mrs Harrison in the next few weeks, the momentum of the negotiations may be lost. I hope therefore that you and the other Treasury Ministers will agree that I should now do so - on the very tentative lines proposed in paragraph 4 above.

7. I am sending copies of this minute to both the Chancellor and the Chief Secretary; and also, for information, to Sir Robert Armstrong.

KJ

21.9.1983.

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