

cc J.V.



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer
HM Treasury
Parliament Street
London
SW1P 3HE

Copy to

PS/Mr Fletcher	Mr Murray, DH
PS/US of S	Mr Sutherland SIO
PS/SED	Mr Lindsay SIO
PS/CS	Mr Wilson SED
AUS of S	

Mo
Prime Minister

② 1 April 1982

A settlement at 5½% is beginning
to look likely.

MS 1/4

Dear Geoffrey,

TEACHERS' PAY

Thank you for your letter of 30 March about teachers' pay negotiations in Scotland.

As you know, the Scottish Joint Negotiating Committee for Teaching Staff in Further Education (SJNC(FE)) was due to meet again that day and I am writing to report the outcome. In brief, the formal and public position is that the Management Side has not improved its earlier offer (made at the meeting on 17 March) of a 4% addition to the total paybill, but that negotiations are still continuing.

There was, however, a good deal of private and informal discussion behind the scenes. By the end of these exchanges it had been established that a settlement at 5.5% of the overall paybill might be constructed on the basis of an increase amounting to 4.5% in the colleges of education, 4.9% in the central institutions and some 5.9% in the local authority sector. The working out of detailed scales to effect this will be a very intricate task because of the way in which the various lecturing grades in the different types of colleges interlock, and the SJNC(FE) therefore thought it necessary to adjourn once more in order that further detailed work could be done on the problem. The next formal meeting will be on 13 April.

I would emphasise that neither Side is at this stage committed to make or to accept an overall 5.5% offer and that the understanding is that no reference will be made in public to any figure beyond 4%. I can confirm also that the Management Side has no intention of making a formal offer above 4% except on the basis of a quite categorical prior assurance that it will be accepted. That said, there seems to be a genuine possibility that a settlement may be reached on 13 April on the lines which I have indicated. If so, I would regard this as a satisfactory outcome.

Your letter of 30 March suggested that we should take the initiative in drafting economic argumentation for inclusion in the Management Side's written evidence to the arbiter who will be dealing with the reference on Scottish school teachers. I agree, and my officials will

be in touch with yours about this. In that connection I should add that my officials are being consulted about the choice of a chairman for the arbitration panel and will thus be in a position to try to secure rejection of any obviously unacceptable name on the ACAS list. It has, however, been established that, even if a settlement for the further education lecturers in Scotland is concluded at 5.5% the school teachers are likely to want to proceed with the arbitration.

Copies of this letter go to the Prime Minister, Keith Joseph, members of E(PSP), Nicholas Edwards and Sir Robert Armstrong.

Yours truly,

Cunneen

1 APR 1962



10342

