



10 DOWNING STREET

(1)

Prime Minister

Teachers' pay: arbitration

The deadline has now been
deferred to noon tomorrow.

Content with Sir K Joseph's
conclusions?

Yes - but
do not
know

MUS 6/4

choices 3 & 4.

We shall have to get
more names for this panel
in due course etc.

Edmund
Healey
P.S.

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CONFIDENTIAL



c.c. Mr. Vereker

10 DOWNING STREET

From the Private Secretary

8 April, 1982.

Dear Imogen,

Teachers' Pay: Arbitration

The Prime Minister saw a copy of your Secretary of State's letter of 8 April to the Secretary of State for Employment about the terms of reference and the composition of the arbitral body for the forthcoming teachers' pay arbitration.

The Prime Minister is content with your Secretary of State's proposals. She has commented that she does not herself know the third and fourth choices which he puts forward. She further comments that we shall have to get more names for this panel in due course.

I am sending copies of this letter to the Private Secretaries to the Chancellor of the Exchequer and the Secretary of State for Scotland, and to David Wright (Cabinet Office), *PS member of EASP.*

Yours sincerely,

Michael Scholau

Mrs. Imogen Wilde,
Department of Education and Science.

CONFIDENTIAL

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DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH
TELEPHONE 01-928 9222
FROM THE SECRETARY OF STATE

The Rt Hon Norman Tebbit MP
Secretary of State
Department of Employment
Tothill Street
London SW1H 9NF

5 April 1982 names:

MES 6/4

~~SE SV
Prime Minister (2)
No time to
consult you this
morning. But Clive and
I thought you would be
able to live with these~~

Dear Secretary of State,

TEACHERS' PAY: ARBITRATION

The terms of reference and the composition of the arbitral body for the forthcoming teachers' pay arbitration are clearly important for us. There is now movement on both fronts, and my officials will need to transmit my views to the management panel very shortly.

I attach a copy of the suggested terms of reference. They are simple and straightforward, and have features which the management panel should value. They take the issue back to the original teachers' claim and the original management panel response, and thus avoid any encouragement to the arbitral body to have regard to the 5.9% figure vetoed on 25 March. Since the claim was submitted the RPI has fallen by a full percentage point, so it is helpful to the management case to have the claim expressed in terms of purchasing power and not quantified. I think these terms of reference can be accepted, and propose to instruct my officials to indicate that to the management panel secretariat.

The rules provide that the chairman shall be appointed by ACAS after consultation with the panels. The intention and, in all foreseeable circumstances, the practical effect is that neither side will be required to submit to arbitration under a chairman whom they consider unacceptable. Thus either side might hope to object successfully to some of the names suggested by ACAS if their objections are reasonable and well-founded. It is of course the management panel collectively which joins in these processes: we shall need to seek an accommodation with the other parties on that panel so that an agreed single response can go to ACAS.

ACAS have offered the two sides the following names for consideration: Lord Robens, Edmund Dell, Ian Buchanan (Senior Lecturer in Economics at Dundee University), Professor T L Johnston (Vice Chancellor of Heriot Watt University) and Sir Charles Carter. The management panel

has to rank those in order of preference. My first choice would be Lord Robens, because of his wide experience and despite the fact that he has not yet chaired an ACAS arbitration. I would rank Sir Charles Carter second, even though the teachers are likely to resist his appointment and he is therefore most unlikely to be selected by ACAS. After them I would place Mr Buchanan and Professor Johnston (as equal third). Both are highly experienced arbitrators but there are perhaps arguments to be advanced against academic chairmen in the case of arbitration over schoolteachers' pay, though those are probably less to do with competence and impartiality and more to do with public perception. Edmund Dell has not done an ACAS arbitration and is an unknown quantity; I propose to rank him fifth.

The other two members of the arbitral body are selected by ACAS from lists of at least four names submitted to them by the separate panels, each list ranked in order of preference. In practice ACAS will appoint the top name on the panel's list, if he is willing to serve. Thus the management panel can hope to secure the appointment by ACAS of a side member sympathetic to their interests. Those under consideration are Mr Bob Ramsey (ex-Ford and a member of Megaw), Sir Alex Jarrett, Mr Michael Bett, Mr L P Grice (GEC), Mr C J M Hardie and Mr David Staines. Mr Ramsey and Sir Alex Jarrett stand out in that field, and I believe that the employers would hope to secure Mr Ramsey's appointment if he will serve. I therefore make him my first preference, followed by Sir Alex Jarrett. Mr Bett is the management panel's side member on the teachers' 1981 London Weighting arbitration, and the two exercises will best proceed separately. I am therefore not ready to commend his appointment. Nor do I favour Mr Hardie, who sat as an employers' side member on the 1981 seamen's arbitration. My third and fourth preferences are for Mr Grice and Mr Staines, in that order.

I am sending copies of this letter to the Prime Minister, the Chancellor, the Secretary of State for Scotland and Sir Robert Armstrong. I need to send my reactions to the management panel secretariat by close of play tomorrow, so if you or your colleagues have reservations about my proposals, I should need to have an indication of those by noon tomorrow.

Yours sincerely,
Inogen Wilde

Approved by the Secretary
of State and signed in his
absence

BURNHAM P&S COMMITTEE

SIR JOHN WORDIE'S SUGGESTED TERMS OF REFERENCE (P&S 1982 CLAIM)

"To consider the claim of the Teachers' Panel tabled on 8th December 1981 that the salaries and allowances (other than Social Priority School and London Allowances) of primary and secondary teachers in England and Wales should be increased with effect from 1st April 1982 by the percentage necessary to maintain the purchasing power of the April 1981 salary scales and allowances, and to consider the offer of the Management Panel tabled on 16th February 1982 in response to the claim, and to make recommendations."



of JV.
Education

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Imogen Wilde
Private Secretary to
Sir Keith Joseph Bt MP
Department of Education and
Science
Elizabeth House
York Road
LONDON SE1

8 April 1982

Dear Imogen

TEACHERS PAY: ARBITRATION

I am writing to confirm my telephone message yesterday about your Secretary of State's letter to mine of 5 April. My Secretary of State agreed that the terms of reference for the teachers' pay arbitration were acceptable. He agreed with your Secretary of State's order of preference for Chairman. Although he did not feel confident that any of the names suggested for the employers side member were entirely reliable, he did not disagree with your Secretary of State's preferences.

Yours sincerely

Barnaby Shaw

J B SHAW
Principal Private
Secretary

APR 1982

