

CONFIDENTIAL

Education

MR. SCHOLAR

Subject to Chancellor's view - yes or no
Prime Minister
Agree to this approach?

Pay of Further Education Teachers in England and Wales

MS 22/4

Letter now attached

Sir Keith Joseph will be writing round either later today or tomorrow drawing attention to a very similar problem to the one we encountered two or three weeks ago on primary and secondary school teachers, namely that our representatives on the management panel will be facing a choice early next week between settling in the 5.5% - 5.9% range, or going to arbitration. It is relevant that further education teachers in Scotland have already settled at 5.9%. Nonetheless, that is a small and not widely noticed group, and endorsement by Government representatives of a pay settlement which will be widely regarded as about 6% carries serious implications. It would make it harder to continue to defend sticking to 4% for the bulk of the NHS; and it would make it almost impossible to justify overriding the award of the Civil Service Arbitration Tribunal (CSAT) at a level of 6% or below. On the other hand, far too many groups are finding their way to arbitration, the outcome of which is likely to be higher still and to raise awkward questions about our ability to override it.

I think therefore that the right approach is to put off a decision for as long as possible, so as to be able to take account of the outcome of the CSAT, and preferably also of our decision on whether to accept it. The Burnham Further Education Committee meeting is planned for 26 April, so we may have to ask for it to be delayed; at the very least we should leave the decision on our instructions until Friday night. If the CSAT comes out at 6% or less, with a presumption that we can accept it, we could authorise our representatives to settle at not more than the same figure.

J.

→ C.F. Note

Discussed with the Chancellor (who was about to minute the PM and now will not).

21 April 1982

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Done MS 26/4
No further action (except pl copy this to JV)
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