



Prime Minister (2)

MS 6/5

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

cg J.V.

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

6 May 1982

Dear Geoffrey,

TEACHERS' PAY

I am writing to let you know that the report of the arbitration on the pay of teachers in Scottish schools has now been submitted to the Scottish Joint Negotiating Committee for Teaching Staff in School Education (SJNC(SE)).

The award is for an increase of 6% at all points on all scales, and on responsibility allowances, from 1 April 1982 - in effect a 6% increase on paybill and on average earnings. While I would of course have preferred a lower figure, the report by the arbitration panel makes a valuable point by laying a good deal of weight on the ability of the local authorities to meet the cost of a pay award and indeed describing ability to pay as "a critical element" which "no responsible employer in either the private or the public sector can ignore". The arbiters have arrived at the 6% figure on the basis of an estimate of the level of increase that "would be manageable, albeit not without some difficulty, by the authorities".

The SJNC(SE) must now formally intimate the report to me, and I am then required by the relevant statutory provisions to inform the SJNC(SE) within 21 days whether I accept the award or not. If I do not accept it, then I must, within 35 days of first receiving intimation of it, make an order (subject to negative Parliamentary procedure) preventing the award from having effect.

Particularly against the background of other comparable decisions which we have taken collectively within the last week or so, I do not consider that the award is at such a level that I should seek to set it aside. To do so would certainly be seen as quite inconsistent with other Government decisions. Moreover, although I have considered very carefully the burden which would be imposed on the local authorities by a pay increase which exceeds the cash limit provision for that purpose (4%), I do not believe that I could on those grounds justify overturning the award. Although the numbers of staff involved are larger, it would in principle be difficult to argue that a 6% award would not be manageable by the local authorities when they have, as

you know, already negotiated a settlement worth 5.9% for staff in their own further education colleges (my Private Secretary's letter of 15 April refers).

Subject to the views of colleagues, therefore, I propose to inform the SJNC(SE) that I accept the arbitral award.

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

Yours truly,
George.

16 MAY 1982





Prime Minister (2)
17/5/82
cc [unclear]

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon George Younger MP
Secretary of State
Scottish Office
Dover House
Whitehall
London SW1A 2AU

17 May 1982

Leon Brittan
TEACHERS' PAY: SCOTLAND

In Geoffrey Howe's absence I am replying to your letter of 6 May about the arbitration award to Scottish teachers. I have also seen Norman Fowler's letter of 10 May.

The local authorities agreed to go to arbitration, and (as you said in your letter of 17 March) they cannot expect any additional commitment by way of rate support grant to finance the excess cost over the existing pay provision of the award that has been made. But subject to that I agree that we should not seek to set aside the 6 per cent award.

There is however an issue of timing, which my officials have raised with yours. I see from your letter that you are not bound to indicate whether you accept the award until 21 days after it has been made. This would enable you to hold your hand until at least a few days after the arbitration hearing for the English school teachers on 19 May. I think that it would be right to do so. It can only complicate the task of the English employers, in defending their 3.4 per cent offer, if we are known before the hearing to have formally accepted a 6 per cent award to the Scottish teachers.

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

Yours sincerely
LB

LEON BRITTAN

(Approved by the Chief Secretary & signed - his absence)



*27/2 Education
of SV*

DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH
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FROM THE SECRETARY OF STATE

NBPM

MW 14/5

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The Rt Hon George Younger TD MP
Secretary of State for Scotland
Scottish Office
Dover House
Whitehall
LONDON
SW1A 2AU

13 May 1982

Dear George,

SCHOOL TEACHERS' PAY IN SCOTLAND

Thank you for sending me a copy of your letter of 6 May to the Chancellor. I have also seen a copy of Norman Fowler's letter of 10 May on this subject. I fully take Norman's point about possible repercussions for the NHS but agree with him that the award should nevertheless be accepted.

The England and Wales arbitration starts on 19 May. It seems to me that a public announcement of your acceptance of your arbitral body's award very soon after that date should be avoided if possible, lest it risk an unhelpful reinforcement of the 6% figure in the minds of the England and Wales arbitrators if they are at that time approaching decision. It would be helpful if you were able to hold your announcement over until the following week, preferably to the Wednesday, if that is not unreasonably close to your statutory time limit for decision. I would hope that by that time the England and Wales arbitrators would have taken their decision. Even a few days' delay would be potentially helpful, and I shall be grateful for anything you can do in that direction.

I am copying this letter to the Prime Minister, members of E(PSP), Nick Edwards and Sir Robert Armstrong.

E. Carr,

Nick Edwards

3 MAY 1982

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CONFIDENTIAL

Prime Minister (4) Education

MS 2015

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

MS

19 May 1982

cc 3V

Dear Geoffrey,

TEACHERS' PAY: SCOTLAND

I am grateful for Leon Brittan's letter of 17th May conveying your agreement to my proposal to accept the recommendation of the arbitration body that the salaries of school teachers in Scotland should be increased by 6% with effect from 1 April 1982.

So far as the timing of the announcement is concerned I intend to defer this until Tuesday 25 May when I shall formally intimate my decision to the Scottish Joint Negotiating Committee for Teaching Staff in School Education. I shall answer an arranged Question on the same day.

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

Yours truly
George

20 MAY 1982



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Prime Minister (2)
rus 11/5



DEPARTMENT OF HEALTH AND SOCIAL SECURITY
ALEXANDER FLEMING HOUSE
ELEPHANT AND CASTLE LONDON SE1 6BY
TELEPHONE 01-407 5522 EXT

Educate

[Handwritten scribbles]

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer
Treasury Chambers
Great George Street
London SW1

10 May 1982

Dear Geoffrey

George Younger sent me a copy of his letter to you of 6 May about the outcome of arbitration on the pay of teachers in Scottish schools.

Anything which tends to strengthen the impression that a de facto going rate of six per cent is being established will cause difficulty in relation to those NHS staff groups which we are trying to hold to four per cent. But the practical difficulties in seeking to overturn the award are clearly enormous, and therefore I do not dissent from the course of action proposed.

I am sending copies of this letter to those who received copies of George Younger's.

[Handwritten signature]

[Handwritten signature]
NORMAN FOWLER