

CONFIDENTIAL



Education & SV

Prime Minister (2)

HWS 15/4

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

15 June 1982

The Rt. Hon. Sir Keith Joseph, Bt MP
Secretary of State for Education and Science,
Department of Education and Science

ms

In view

SCHOOL TEACHERS' PAY : ENGLAND AND WALES

Thank you for your letter of 11 June about the 6 per cent arbitration award to school teachers in England and Wales.

I agree to your proposal that we should announce our acceptance of this award, and also of the 1981 London Allowance award. As you say, there will be no question of our adding to the rate support grants to help finance the cost in excess of the 4 per cent pay factor.

I am copying this letter to the Prime Minister, the Secretaries of State for Northern Ireland, Scotland, and Wales, the Attorney General, members of E(PSP), and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'G. Howe', with a horizontal line underneath.

GEOFFREY HOWE

15 JUN 1982

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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

SC JV
 Prime Minister (1)

Agree to 6%
 for teachers?

MUS 11/6

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

Yes
 11 June 1982
 Told Nick Cornwell
 Hes 14/6

Dear Geoffrey.

TEACHERS' PAY 1982

I have now received the arbitral body's recommendation on the 1982 pay claim for school teachers in England and Wales. It is for a 6 per cent increase in salaries and allowances, other than Social Priority School and London Allowances. I must now decide whether to implement the recommendation and the outstanding arbitral award on London Allowances, about which I wrote to you on 25 May and you replied on 27 May.

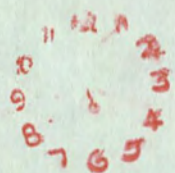
Although the recommended increase is more than we might have hoped, it is in line with the 6 per cent award to Scottish school teachers (which we have accepted); and close to the Civil Service award of 5.9 per cent and the 5.8 per cent which the Burnham Committee have agreed, subject to ratification by the teacher unions, for further education teachers in England and Wales. I believe therefore that we should accept the recommendation and not ask both Houses of Parliament to set it aside on grounds of national economic circumstances. There is, of course, no question of our adding to the rate support grants to help finance the award, and this is well understood by the local authority associations.

In accordance with practice, I propose to announce my decision to this effect, for both the 1981 London Allowances award and the 1982 award, through a Parliamentary Answer; and would hope to do so next week. If you or other colleagues should have reservations about that action, I should be glad if you would let me know by close of play on Tuesday, 15 June.

I am sending copies of this letter to the Prime Minister, the Secretaries of State for Northern Ireland, Scotland and Wales, the Attorney General, members of E(PSP) and Sir Robert Armstrong.

Car.
 Kevin

1 JUN 1982



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cc: Mr. Mount

PA.
MR. SCHOLAR

TEACHERS' PAY

I entirely agree with Sir Keith Joseph's recommendation in his letter of 11 June to the Chancellor that we now announce the Government's acceptance of the two arbitration awards: the main pay claim, which we have just received, and London allowances, which we received in May. The Prime Minister has of course already approved the 9.8% increase in London allowances; and although we would have greatly preferred this year's pay award to have been settled well below 6%, it would be virtually impossible to find the national economic circumstances which would justify our asking Parliament to override the award.

J.M.M.

J.M.M. VEREKER
11 June 1982

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