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MANAGEMENT IN CONFIDENCE

Education
cc. J.V.

Prime Minister (2),

MCS 13/10

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

13 October 1982

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

MT

Dear Secretary of State,

TEACHERS' LONDON WEIGHTING 1982

Thank you for your letter of 7 October on this subject.

As my officials have mentioned to yours, the situation on Civil Service London Weighting (on which your proposals are based) is somewhat fluid at the moment, and there is a possibility that we might in the end proceed somewhat differently on that. I understand, however, that we cannot expect to hold up the negotiating timetable for the teachers on this account, and that the line to be taken by your representatives on the Burnham Committee therefore needs to be decided now.

In the circumstances, I agree with what you propose - that your representatives should argue and vote against but not veto offers above 9 per cent, and that they should not oppose arbitration if a settlement cannot be reached at that level.

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

Yours sincerely,

Margaret O'Mara

for GEOFFREY HOWE
(approved by the Chancellor
and signed in his absence)

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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

Prime Minister (2)

MCS 7/10

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

7 OCT 1982

Dear Geoffrey.

TEACHERS' PAY: LONDON WEIGHTING 1982

A further meeting of the Burnham Primary and Secondary Committee has been fixed for 14 October to resume negotiations. The employers and the teachers both expect to make progress after an adjournment of nearly 3 months.

A settlement in line with the tax-adjusted indices would average some 14.1%. Our objective must be to secure a settlement well below that level. The only 1982 London Weighting settlement to date is for GLC staff: I understand that conceded full indexation. The GLC result and the May 1982 arbitration award on teachers' 1981 London Weighting, which came out broadly in line with the tax-adjusted indices, will lead the teachers to press hard for a settlement at or about 14.1%. Each 1% adds £0.7m to the pay bill.

Civil Service: R+P. Pt 12

Since the last Burnham meeting we have agreed (your July correspondence with the Prime Minister) that our tactics for the Civil Service London Weighting negotiations should be to

(a) reach an agreed settlement at 9% or less if that can be negotiated; and, failing this, to

(b) agree to arbitration.

I think our approaches to the Civil Service and teachers' negotiations should be consistent. On that basis, I propose to instruct my representatives in Burnham to advise the management panel that continued publication of the indices should not be assumed (as we agreed in E(PSP) on 30 September), and

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(a) not to oppose an offer at 9% or below;

(b) to oppose offers above 9%;

(c) not to oppose arbitration if a settlement cannot be reached at about 9% or less.

There remains the question of how our opposition to an offer even slightly above 9% should be expressed. My letter of 14 July argued against using the veto. We could not defend use of the veto on this element of teachers' pay as being in line with the spirit of our voluntary concordat with the employers, and the damage to future work within the management panel resulting from our doing so could be out of all proportion to any advantage gained. If the concordat were to collapse, we would lose not just the veto but the weighted vote which gives us the voting balance within the management panel. I do not believe that the Association of County Councils would want to go much above 9% in any case. I propose therefore to instruct my representatives to argue and vote against, but not to veto, any offer above 9%, recognising that we could be out-voted by the employers if they saw prospect of a slightly higher settlement and preferred that to arbitration.

It is possible that the AMA will vote against any course other than offering full indexation. In that event, it may be necessary for my representatives to support - that is, actually to vote with - the ACC (who may not be solid) in securing an offer at 9% or below, or arbitration to avoid an offer of full indexation. I propose to authorise them to do so.

I shall be meeting the leader of the management panel on Wednesday next. I should therefore be grateful for any comments you might wish to make by close of play on Tuesday 12 October.

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

Yours,

Ken

Educ: Teachers Pay

Pt 3

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Prime Minister (2)

MCS 14/10

DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

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

12 October 1982

Dear Geoffrey

TEACHERS PAY: LONDON WEIGHTING 1982

I have seen a copy of Sir Keith Joseph's letter to you of 7 October.

It is a pity that time does not allow us to discuss further the handling of these negotiations and their potential impact on the civil service and the NHS, but as we do not have that time I do not feel I can object to what Sir Keith proposes. I do, though, think it important that we should have an early discussion of how we should proceed in the civil service negotiations, which will in turn have significant repercussions for the NHS.

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

Yours ever

Norman

NORMAN FOWLER

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Education, Teachers Pay, Pt 3