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CONFIDENTIAL

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

8 March 1983

Dear Geoffrey,

PAY OF FURTHER EDUCATION LECTURERS IN SCOTLAND

In my letter of 7 March ^{part} about the pay of primary and secondary teachers in Scotland I mentioned that there was to be a meeting on that date of the Scottish Joint Negotiating Committee for Teaching Staff in Further Education (SJNC(FE)) and I promised to write to you again to let you know the latest position on the Scottish teachers' pay front generally.

I should perhaps begin by reminding you of the background. The SJNC(FE) deals with the pay and conditions of service of lecturers in three types of institutions - (i) further education colleges, financed by the local authorities; (ii) central institutions, centrally financed by me; and (iii) colleges of education, also centrally financed by me. The cash limits for the two groups of centrally-funded colleges are of course very tightly drawn and the provision for pay increases is 3.5 per cent; it would thus be extremely difficult for these colleges to find more than 3.5 per cent by means of savings in other expenditure. The local authorities have of course greater freedom of movement; but, both in last year's negotiations and in this year's, their representatives on the Management Side of the SJNC(FE) have shown themselves sympathetic towards the problems of the centrally-funded institutions. This year the Management Side restricted its initial offer to 3½ per cent, which was rejected by the teachers at a meeting on 14 February.

At a preliminary meeting of the SJNC(FE) Management Side on 7 March it was agreed that, given the restrictions on the centrally-funded institutions, no advance should be made on the 3½ per cent across-the-board offer. Some consideration was given to the possibility of a differential offer which would have involved a more generous offer to lecturers in local authority colleges, but there were difficulties about devising such a scheme and in the end the Management Side decided not to put this idea forward.

In the full SJNC(FE) meeting which followed, no real progress was made. The Management Side stood firm on their previous 3½ per cent offer, which was again rejected by the lecturers. It was left that both Sides would give further consideration to the whole matter. No firm date was fixed for another meeting, but it is likely that this will take place before the end of March. The lecturers, however, are clearly very dissatisfied and there were some hints that this might find practical expression. I do not think that formal industrial action is in prospect, at least for the present, but they may be thinking of withdrawing co-operation with the Youth Training Scheme and similar activities. I imagine that the local authorities will for their part wish in due course to make some improvement in the offer to the lecturers in their own sector, in which event it remains to be seen whether it will be possible for the centrally-funded institutions to avoid even a token improvement in the 3.5 per cent offer to their staff.

So far as the school teachers are concerned, there is as yet nothing further to report. I understand that the Chairman of the Management Side of the SJNC(SE) proposes to consult his colleagues about the line to be taken in any discussions with ACAS, which means that a start to these discussions may be postponed a little.

Copied of this letter go, as before, to the Prime Minister, the Secretaries of State for Education, Employment, Wales and the Environment and to Sir Robert Armstrong.

Yours ever,
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9 MAR 1983

