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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

Content with

the line at

14 March 1983

John Giffney.

John

X?
Feb 15/3

The Burnham Primary and Secondary Committee resumed negotiation of schoolteachers' pay (England and Wales) on 10 March. Some progress was made. The teachers agreed that the structural element of their claim would not be pursued in the context of the 1983 negotiations, and the management panel made it clear that they were not willing to accept the establishment of joint machinery on comparability data. The teachers quantified their claim at 15%, putting that in the context of a staged programme to restore 1974 relative pay levels. The management panel responded with a 3½% offer, refusing to accept any commitment to "restoration". They then pressed the teachers to move from their 15% figure. The teachers then said that they would be willing to settle below 15%, provided they secured an "average earnings" increase of 7.9% plus an unquantified element towards "restoration". The management panel welcomed the teachers' willingness to move from their 15% figure and said that they would make an improved offer at the next meeting. That has now been arranged for 25 March.

It is too early to say whether a negotiated settlement at a level acceptable to the Government can be achieved. I shall be discussing the prospects with the management panel Chairman in the near future and will then write again. Meantime, the first meeting in this negotiating round of the Burnham Further Education Committee will take place on 16 March. The claim is for a flat-rate increase of £208pa, plus 12% and various structural changes equivalent in aggregate to a further 6-7%. None of the structural changes is likely to appeal to the employers and all will be opposed by my representatives. As

/regards the

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

regards the main pay increase, I propose to instruct my representatives to follow the line we agreed at the outset of the school teachers' pay negotiations:

- a. to argue and vote for offers at or below 3½%;
- b. to argue and vote against any offer above 3½%;
- c. to veto any offer above 4½%.

| X

These figures would apply to the overall cost, whether expressed in flat-rate or percentage increase terms.

I imagine that these instructions will be acceptable to you, but if you should have reservations would your office please let mine know of those by mid-day on Tuesday 15 March?

Copies of this letter go to the Prime Minister, members of E(PSP), the Secretaries of State for Scotland and Wales and Sir Robert Armstrong.

Law

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EDUCATION -

cc SO DHSS
WO CS, HMT
CO LPS
HMT DM
LPO:DOE

10 DOWNING STREET

From the Private Secretary

16 March 1983 Mr Vereker

Dear Imogen,

Your Secretary of State sent the Prime Minister a copy of his letter of 14 March to the Chancellor of the Exchequer about schoolteachers' pay in England and Wales.

The Prime Minister is content, subject to the views of colleagues, with the course your Secretary of State is pursuing, as set out in sub-paragraphs a-c on page 2 of his letter.

I am sending copies of this letter to the Private Secretaries to the other members of E(PSP), Muir Russell (Scottish Office), Adam Peat (Welsh Office) and Richard Hatfield (Cabinet Office).

Yours sincerely,

Michael Scholar

Mrs. Imogen Wilde,
Department of Education and Science.

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