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FROM THE SECRETARY OF STATE

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The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer
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Ivan Goffroy

TEACHERS' PAY

On 15 April the Burnham Committee reached an agreed settlement on school teachers' pay in England and Wales, at 4.98%. At the previous meeting the management panel openly offered 4.0% and the signal subsequently reaching my officials indicated that the employers would not be willing to go above that figure unless it were clear that an acceptable negotiated settlement could be achieved. On 15 April informal explorations with the teachers showed that a settlement at 4.98% was available, and with one abstention the employers voted solidly for an offer at that level. My representatives voted against in accordance with our agreed instructions, but the proposal was carried by 23 votes to 15. The veto was withheld (as we had agreed it should be if it was clear that a negotiated settlement below 5% would result) and the settlement formally concluded in the full Burnham Committee.

Associated with this pay settlement was a procedural agreement to establish a working party* to examine a full range of data relevant to teacher salary negotiations, including the remuneration payable in occupations comparable to teaching but not excluding aspects such as ability to pay and recruitment/retention rates. My representatives made it clear at the outset that the Government was opposed to any such agreement, because of its possible repercussions in future years. Their arguments attracted a little support from the employers, but the employer majority saw a modest concession in this direction as a reasonable price to pay for a negotiated pay settlement which could not otherwise be achieved. A proposal to agree to such a working party was carried by 21 votes to 18 - the latter figure including my 15 weighted votes. (The veto can be exercised only on grounds of aggregate cost and is not available to me on a procedural proposal of this kind.) Naturally I would have preferred a straight pay settlement below 5% but the local authority employers were clearly influenced by movement towards new negotiating machinery for the Civil Service and NHS pay and were willing to make this concession. The verbatim record will make it clear that both sides agree that the working party is not a negotiating forum.

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London Weighting was not settled at the 15 April meeting. My representatives argued that it should be but the teachers were not willing to settle on it and the employer majority were not willing to press the matter for fear of risking the main pay settlement. When that matter is next taken by Burnham I shall instruct my representatives to seek a settlement at or below the level of the main pay settlement, voting and arguing against any figure above 4%. However, as on previous occasions, I would not propose to use the veto in this matter: if it were so used to block the majority view, a reference to arbitration would almost certainly result.

The Further Education Committee meets on 26 April. My representatives will attend that with instructions as previously agreed. They will therefore veto any proposal for a settlement at 5% or above.

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

E. Carr.

Heir.

* We will expect to be members of this working party and to be able to influence the range of information which it will collect and put forward to the full Burnham Committee.