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CONFIDENTIAL

The Rt Hon Nigel Lawson MP  
Chancellor of the Exchequer  
HM Treasury  
Parliament Street  
LONDON  
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10 February 1984

*Dear Nigel,*

TEACHERS' PAY NEGOTIATIONS 1984

I am writing to report, for the information of colleagues, the position now reached in teachers' pay negotiations in Scotland. The negotiating bodies concerned are the Scottish Joint Negotiating Committees for Teaching Staff in School Education (SJNC(SE)) and in Further Education (SJNC(FE)).

In the SJNC(SE) the teachers are asking for an overall increase of at least 9.5 per cent from 1 April 1984. They submit that this increase is required to bring teachers' salaries into line with the current average of increases obtained by other employees; to make good, in part only, the decline in the relative position of teachers as indicated by comparative pay data; and to give some recognition to the heavier burden of professional services and skills required of teachers as a result of changes in educational practice and organisation. In the SJNC(FE) a claim has been submitted for the salaries of all lecturers to be increased by 10 per cent as from 1 April 1984 in order (a) to take account of movements in the indices of Retail Prices and Average Earnings over the previous twelve months and (b) to initiate the process of restoring the shortfall in lecturers' earnings which they allege has accumulated over recent years.

You will be aware that the position of my representatives in these negotiations is somewhat different from that of Keith Joseph's in Burnham. In Scotland there is no veto and no weighted vote; we have to rely on persuasion during discussions in the Management Side and, ultimately, on my control of local authority spending through rate support grant and power to penalise unreasonable expenditure. My representatives have already made it clear to the Management Side in both the SJNC(SE) and the SJNC(FE) that, while the Government has not set any pay norm for the public sector, it expects public sector pay settlements to be of the order of 3 per cent; and that, if there were to be a settlement above that level, the consequences would be the need for

either a reduction in teacher numbers or a reduction in spending in some other area or an increase in local authority expenditure to a level at which the Government might have to take action. They have laid stress also on the points that pay settlements should be determined by what employers can afford and by the levels required to recruit, retain and motivate staff.

Against this background - and in the knowledge that the manual workers (who are the traditional pacesetters in the local authority sector) had already been offered 3 per cent - the Management Sides of SJNC(FE) and SJNC(SE) each offered increases of 3 per cent at meetings held on 3 February and 7 February respectively. In each case, the Staff Side rejected the offer and there was no real further discussion. Negotiations in the SJNC(SE) are to be resumed on 8 March, by which time it is expected that an interim report will be available from a working party of SJNC(SE) which was set up following the 1983 settlement to consider the introduction of pay data collection studies into the negotiation of teachers' salaries. No date has been fixed for another meeting of the SJNC(FE).

My representatives will of course continue to argue strongly in both bodies for a settlement at the lowest practicable level and I shall keep colleagues in touch with developments.

I am sending copies of this letter to the Prime Minister, Keith Joseph, Tom King, Nicholas Edwards, Patrick Jenkin and Sir Robert Armstrong.

Yours truly,  
  
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13 FEB 1984

