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DEPARTMENT OF EDUCATION AND SCIENCE

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TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

The Rt Hon Nigel Lawson MP
 Chancellor of the Exchequer
 Treasury
 Parliament Street
 London SW1P 3AG

30 March 1984

Dear Nigel,

SCHOOL TEACHERS' PAY (ENGLAND AND WALES) 1984

The Burnham (Primary and Secondary) Committee met on 27 March. The negotiations were protracted and difficult, with both sides unwilling to move publicly from their previously declared positions. The employers were very reluctant to move above their current 3.0% offer without a private assurance that a modest increase would secure a negotiated settlement. And, even if they can be so assured at the next meeting, they would need to be solidly for such an offer, since my representatives are instructed to argue against and to vote against any offer above 3% in whatever circumstances - and they carry 15 votes out of 40. On the other side, the teachers' leaders must find it very difficult to commend to their panel any settlement in the range which might conceivably be acceptable to the great majority of employer representatives, partly because of imminent Easter conferences, but mainly, I believe, because of the 4.5% offer made to Scottish school teachers on 16 March. I accept that George Younger does not have the voting and veto powers which I have here. Nevertheless, I have to say that I consider it most unfortunate that the Scottish employers should have decided to make that pace-setting offer. It is also unfortunate that the offer should have been made without an immediate agreement being available. The level of the offer and the uncertainties about its ultimate acceptance have certainly made difficulties for me and the employers in England and Wales.

Burnham meets again on 3 April. It may be that both sides will be willing to try to bridge the present wide gap between their declared positions. If they cannot do so at that meeting, there is a strong likelihood that negotiations will break down. The consequences of that must be uncertain. The employers are at present unwilling to agree arbitration, but I am not convinced that they would retain that resolution in the face of continued impasse and disruption in schools, if such were to occur after Easter. Teacher attitudes might harden meantime as a result of their Easter conferences. I cannot be sanguine about the outcome of arbitration if that should be unavoidable at the end of the day: nor can we be confident, I think, that other settlements

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Teachers Pay

would have reduced expectations by the time of an arbitration hearing. I feel therefore that we might be better advised not to veto an offer visibly below 4.5% if it were clear that such would lead to a settlement at the offer level.

X | This leads on to the instructions my representatives should have for 3 April. I remain of the view that they should set out with formal instructions as originally agreed - to argue against and to vote against any offer above 3% and to veto any offer above 4%, but with the following proviso. That is that if it is clear that a negotiated settlement can be achieved at or below 4.4% they should not formally cast the veto. Rather they should say that they have no authority to agree such an offer and seek a brief adjournment to consult me (or the Deputy Secretary here authorised by me to act in my name). I believe that the employers would be willing to grant them that facility. My representatives would then be authorised not to block a settlement at or below 4.4% if that were available and the employers solidly for it. My view is that while such a settlement would be higher than we wish and would certainly increase the financial difficulties of many authorities, it would nevertheless helpfully continue the downwards pressure on settlements and be more attractive to us in wider policy terms than the other possible outcomes.

Do you agree that I should exercise such discretion on 3 April, if the negotiations should arrive at that position? I should need to have your reaction by the afternoon of 2 April.

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

Yours ever,

Keir

30 MAR 1984





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Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Sir Keith Joseph MP
Secretary of State for Education & Science
Department of Education & Science
Elizabeth House
York Road
LONDON
SE1 7PH

2 April 1984

Dear Sir Keith,

SCHOOL TEACHERS' PAY (ENGLAND AND WALES) 1984

Nigel Lawson has asked me to reply to your letter of 30 March in his absence in Luxembourg. I have also seen George Younger's letters of 13 and 22 March reporting on progress in the parallel Scots negotiations.

I fully agree with your judgement of the disadvantages and risks if a settlement cannot be reached with the teachers at tomorrow's meeting of the Burnham Committee. A settlement would obviously be helpful in relation to the position reached in the negotiations with the Scots teachers. And in a pay round where progress has been exceptionally slow, it would be very helpful to have the teachers negotiations begin in earnest. I agree *therefore* with your proposal that the settlement ceiling should be increased to 4.4 per cent. I also agree that there is no reason to change your representatives' formal instructions, which offer the best chance of securing as low a settlement as possible; but I hope that, within those instructions, your representatives will do all they can to ensure that a negotiated settlement is reached tomorrow.

Both your letter, and George Younger's of 22 March, point up the problem which has occurred again this year of the Scots negotiations getting ahead of those for England and Wales. I appreciate that George's influence over the timing and pace of the negotiations in Scotland is limited; and that this question has been considered in the past without any answer being found. I agree that it is highly unsatisfactory that the cost of teachers' pay in England and Wales should be influenced by the relatively much smaller costs of their pay in Scotland. I should be grateful, therefore, if you and he could consider whether some improvement could be made in time for next year's negotiations.

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* out of the way before the other public service negotiations

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I have copied this letter as yours.

Yours sincerely

J. R. Greer

J. R. PETER REES

[Approved by the Chief Secret.]

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Education = Teachers Pay
PT 31

~~Mr. F. E. R. Smith~~



Your Ref

was spoke. I told
this I had put.

W. P. Kemp

with compliments

E. P. KEMP

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MR KEMP

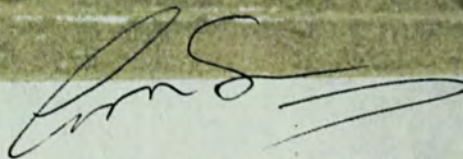
FROM: MISS C E C SINCLAIR
28 March 1984

cc Mr Pearce
Mr Carter
Mr Gilhooly

TEACHERS' PAY NEGOTIATIONS

You asked where matters stood on primary and secondary school teachers in England and Wales following the meeting of the Burnham Committee on 27 March; and on primary and secondary school teachers in Scotland.

2. As far as teachers in England are concerned, yesterday's meeting ended with no change in the public position i.e. the employers have not formally increased their offer above 3 per cent. Some play was made of the possibility of arbitration. But apparently the local authority representatives were firmly against this - very helpful, given that the Secretary of State for Education cannot veto a combined call by employers and teachers for arbitration. There is to be a further meeting on Tuesday 3 April to try to reach agreement. ~~Ballotting~~ Ballotting is now under way among Scottish teachers on an offer of 4½ per cent. The ballot is not likely to be completed before 11 April.



CAROLYN SINCLAIR

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*
The General representative
Council in published authority to
go to 4% or even 4.1% if
that will clinch deal. But
if the Scots do settle at 4.5%
England & Wales are unlikely to
come out much less.

Note

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in poor condition