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Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

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

16 April 1984

A handwritten signature in dark ink, appearing to read 'Sir Keith'.

TEACHERS' PAY (ENGLAND AND WALES) 1984

You wrote to me on 13 April reporting the latest developments on the teachers' pay negotiations.

I agree with the instructions you propose to give your representatives for both the Primary and Secondary and for the Further Education Teachers' negotiations, and that the ceiling in both cases should be 4.5 per cent. It is important, of course, that the local authority employers should continue to refuse to agree to arbitration; the outcome would be uncertain and could prove both expensive and damaging. I am sure you will therefore do all you can to bolster the local authorities if they show signs of weakening.

Copies of this letter go to those who received yours.

A handwritten signature in dark ink, appearing to read 'Nigel Lawson'.

NIGEL LAWSON

EDUCATION: Pay : PC-3.

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16 APR 1984

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FROM THE SECRETARY OF STATE

ELIZABETH HOUSE,
YORK ROAD,
LONDON SE1 7PH
01-928 9222

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BT
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18 April 1984

Dear Nigel,

TEACHERS' PAY (ENGLAND AND WALES) 1984

Thank you for your letter of 16 April agreeing the adjustment proposed in my letter of 13 April to my representatives' instructions for these negotiations. In the event the Burnham (Further Education) Committee settled on Monday just outside my old limits and just inside the new ones, at 4.45% overall (4% on all scale points and allowances, except for London Weighting which remains to be settled, plus £330 pa for those on the top point only of the lowest lecturing scale). The range is 4% for the great majority to 7.38% for those on that scale maximum: the unions may seek to describe the settlement in those terms or, if pressed, as "about 4.5%".

I believe that this settlement can only help the situation on the school teachers' pay front, and do not exclude the possibility of a return to the negotiating table quite soon after Easter. For the immediate future, I think we should keep a lowish profile on school teachers' pay, to give the moderates amongst the teachers their best chance of persuading their fellows to seek a negotiated settlement within the limits now agreed between us.

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

Emerson,

Kear

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
Treasury
Parliament Street
LONDON SW1P

Education

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Prime Minister

To note.

AT 13/4

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

13 April 1984

Dear Chancellor,

ms

TEACHERS' PAY (ENGLAND AND WALES) 1984

I wrote to you on 6 April about these negotiations, saying that I did not then regard a negotiated settlement on school teachers' pay as inconceivable. In fact there have been overtures this week, with the management panel suggesting a further meeting of the Burnham (Primary and Secondary) Committee but declining to answer in advance hypothetical questions about the offer which they might be willing to make. This morning the teachers decided that the management panel's message was insufficient to warrant a recall of Burnham, and by now both sides will have issued short statements to the press. The immediate prospects of a negotiated settlement must now be regarded as poor, with increased disruption in schools likely in the summer term in an attempt to make the management panel agree to arbitration. I shall be considering whether there is any action we might usefully take during or just after the school holiday period, to encourage a return to negotiation.

If the teachers had been willing to meet again in Burnham before Easter the sharp question facing the management panel would have been their willingness to offer 4.5% if they were assured privately in advance that the teachers would accept. That is the highest figure which any of the employers seem willing to contemplate, and it is now believed to be the lowest that the teachers might be persuaded to accept. Had that situation arisen, my view would have been that my representatives should not have blocked a settlement at 4.5%, though they should have continued

/to argue

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

to argue and vote against any increased offer without fore-knowledge that it would produce a settlement.

The teachers' refusal to meet again quickly in Burnham means that we do not have to address that question now as regards school teachers' pay. But the Burnham Further Education Committee meets on Monday 16 April. The likelihood must be that they will not move significantly forward, but await events on school teachers' pay. However, if there should be any chance at all of a negotiated settlement for further education teachers at 4.5% next Monday, then I think my representatives should have discretion to try to achieve that result. They would of course veto any offer above 4.5% and would not vote for any offer above 3% - that would be inconsistent with our pay assumption position. But there could be circumstances in which their abstention would be necessary to allow an employer majority to achieve a settlement at that level. If achieved, that would put some pressure on the school teachers to come back to the negotiating table and accept the same figure.

The question is thus whether we should now accept 4.5% settlements if available. My view is that we should. The alternative seems bound to be substantial disruption in schools and very probably arbitration at the end of the day. No-one on the employer side seems to think that arbitration might produce a result below 4.5%. I therefore propose to tell my representatives to act so as to achieve a further education settlement at or below 4.5% next Monday, if indeed such is available. It must follow, I think, that they should behave in similar fashion at any further meeting of the Primary and Secondary Committee.

I should need to have your comments on these revised instructions by 9.30am on the morning of Monday 16 April, at the latest.

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 sincerely,

Elizabeth Hooley

Approved by the
Secretary of State
and signed in his
absence

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