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 AT 12/6

DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

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

12 June 1984

Dear Nigel,

TEACHER'S PAY IN 1984

As you will now have heard, the management panels of the Burnham Primary and Secondary and Further Education Committees yesterday decided in favour of arbitration provided acceptable terms are agreed by the teachers. I very much regret this and have already made clear the fact that there can be no question of any additional money to help employers to meet the cost of an arbitration award. My representatives argued against and voted against arbitration of any kind, in both panels. In the event, the resolution of the Association of County Councils (ACC) to hold out against arbitration in the face of disruptive action by teachers failed. In the Primary and Secondary Management Panel the voting was 22-18 in favour of conditional arbitration, only 3 members voting with my representatives. In the further education panel the voting was 11-9, with only one following the government vote.

Employer members of the Primary and Secondary Management Panel have now requisitioned a meeting of the Burnham Committee "for the purpose of discussing acceptable terms of reference to arbitration". The letter continues: "the Management Panel wish to make it clear that they are only prepared to go to arbitration on this year's pay claim alone, excluding entirely matters which are properly in the province of the Joint Structure Working Party". A similar limitation was envisaged for further education.

The Burnham Further Education Committee comes together again on 18 June and the Primary and Secondary Committee on 22 June. At those meetings my representatives will seek to limit the damage already done by insisting that the determination to limit the arbitral reference to this year's increase only should be maintained, whatever the teachers say. It will be important to prevent the arbitrators

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Offering hostages extending into 1985 and beyond, perhaps on questions of teacher management strictly outside the scope of Burnham. My representatives will also seek to ensure that any further education hearing is held before that for primary and secondary teachers, since the former group must be somewhat compromised before arbitration by their earlier non-ratified acceptance of a 4.45% offer in April. Conceivably that might help a little during a primary and secondary arbitration, though we would be unwise to expect too much gain from such sequencing.

As noted above, this outcome is most regrettable and entirely attributable to the employer's failure to hold firm in the face of disruption in schools. However, now that my representatives have been out-voted in both management panels, our concern must be damage-limitation, with the panels being encouraged to present the best possible case at arbitration. My officials will be in touch with yours about the kind of economic and financial evidence we would wish to see presented at arbitration.

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.

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