



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

2 October 1984

The Rt. Hon. Sir Keith Joseph Bt MP
Secretary of State for Education and Science

Dear Secretary of State

TEACHERS' LONDON WEIGHTING

You wrote to me on 1 October, setting out the instructions you propose to give your representatives on the Burnham Committee, should there be substantive negotiations about London Weighting at tomorrow's meeting.

I agree with you that there is no case on recruitment and retention grounds for an increase in London Weighting this year, but that the local authority employers will be unwilling to take so robust a line. I also agree that it would not be right to use your veto over this issue.

However, I do not think your representatives should refrain from voting against increases until the 4.5 per cent level is reached. That would be to acquiesce in increases which are unjustified on merits and would undermine the useful precedent set in the case of the Civil Service (where a six month delay will keep the cost of the increase to 2 per cent this year) and make it more difficult to press for increases below 4.5 per cent for other public service groups which have yet to settle their London Weighting for the 1983-84 pay round.

It is a tactical judgement, which you are best placed to make, whether your representatives should vote against any increase in London Weighting. But it would be generally helpful if they argued that offers above 2 per cent should be phased to keep their 1984-85 cost down to 2 per cent, and voted against offers above that level.

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

*Yours sincerely,
Margaret O'Hara*

NIGEL LAWSON

*(Approved by the Chancellor
and signed in his absence)*

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DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

Chancellor of the Exchequer
HM Treasury
Parliament Street
LONDON SW1P 3AG

5 October 1984

Dear Nigel,

SCHOOL TEACHERS' LONDON WEIGHTING

We corresponded earlier this week about teachers' London Allowance. In the event the 3 October meeting of the Burnham Primary and Secondary Committee proved very unsatisfactory and failed to achieve a settlement.

Despite the strong arguments of my representatives and their use of the weighted vote the management panel decided to offer 5.1% from 1 April on the inner and outer allowances, but against any increase to the fringe area allowance. All the other members of the panel apart from the chairman voted for this offer. The teachers rejected it because there was no offer to the fringe.

Discussion will be resumed at a future meeting yet to be fixed.

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

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LONDON SW1P 3EB
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My ref:

Your ref:

2 October 1984

Dear Secretary of State

TEACHERS PAY - LONDON WEIGHTING

I refer to your letter of 1 October to Nigel Lawson. Obviously we must expect that any offer made to the teachers on Wednesday will set the tone for awards to other local government groups and I wonder, therefore, whether there would not be tactical advantage in placing rather more emphasis on the precedent of the Civil Service London Weighting award as a fall-back to the argument that no increase is justified anyway? Realistically, however, I think that the employers' side will link the award to pay in some direct way and I would obviously prefer the line to be held at 4.5% in view of the knock-on effect on the APT&C pay and London Weighting position.

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

Yours sincerely
AHDavis

P PATRICK JENKIN
(approved by the Secretary of State
and signed in his absence)

The Rt Hon Sir Keith Joseph

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DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

Chancellor of the Exchequer
HM Treasury
Parliament Street
London SW1P 3AG

WBM.

1 October 1984

See Nigel.

The Burnham Primary and Secondary Committee meets on Wednesday 3 October when it is expected that the teachers' panel will make an oral claim for an increase in London allowance from 1 April 1984. We do not know whether that expected claim will be quantified or expressed in general terms.

There has been no discussion of London weighting so far this year within the Committee. If a claim is tabled, therefore, my representatives will urge the management panel simply to receive the claim so that it can be given a considered response. However, the local authority employers may well see this as an opportunity to begin to rebuild their negotiating bridges with the teachers following this year's difficult proceedings. I therefore need to decide on the instructions to give my representatives against the possibility of the employers wishing to negotiate a settlement on the day.

You agreed last year, in your letter of 11 July 1983, that it would be undesirable to employ the veto in negotiations on London weighting and that my representatives should rely on argument backed by the weighted vote. I continue to take the same view.

My representatives will seek to secure the lowest possible settlement and they will argue that there are no grounds for any increase this year - whether by reference to consideration of cost compensation or by reference to problems of recruitment and retention in the London area. However, even though the employers' capacity to pay has already been stretched to the limit by the 5.1% arbitral settlement I do not think that my representatives will succeed in convincing the employers that there should be no increase.

I expect that despite these arguments the employers will decide to offer an increase and notwithstanding the London weighting increase of just 4% (delayed by 6 months) to be applied to the Civil Service,

be unwilling to accept a ceiling below 4.5%, management's final offer for the general pay scales in this year's pay round. My voting power will therefore probably be most effectively used at this level and I propose to instruct my representatives to vote against any offer in excess of 4.5%. I propose additionally to instruct my representatives to support any proposition that the settlement should operate from 1 October rather than 1 April.

I am sorry that this late addition to the Committee's agenda means that I must ask for any comments you may have by midday on Tuesday 2 October.

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

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Keir

Teacher's Pay.