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DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

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

17 January 1985

*Dear Nigel .*

BURNHAM (P&S)

Thank you for your letter of 19 December about school teachers' pay.

As you say, the NUT's outright rejection means that the employers' proposals are not a real negotiating possibility. I believe that there is considerable advantage in the Government allowing the case to rest on the failure of the proposals to pass the test of negotiability. For me now to intervene on grounds of acceptability or affordability would attract to the Government the widespread public opprobrium falling upon the NUT for wrecking the structure talks, and create public opposition between Government and the local authority employers. I do not see the need for this, since I do not regard silent reliance on the NUT as a high risk.

I have already made very clear how stringent are the tests of affordability and educational acceptability which I would apply to any reform package which emerged from employer-union discussion. Both know direct from me how tight public expenditure constraints are and how difficult it would be to obtain additional funds even for an ideal reform package. In the event, the discussions on the employers' proposals never went far enough for there to be any realistic exchanges on the overall cost of the proposals and their phasing. The estimates that the Department made necessarily entailed a number of bold assumptions about the manner of implementing and phasing the proposals; change some of these assumptions (eg assume a September 1985 implementation with no April 1985 or April 1986 "ordinary" annual pay increase over and above the increases entailed in implementing the structure reform) and the employers' proposals would not look so unaffordable to the public eye that I could justify seeking an occasion to denounce

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them on that score. (The cost of the package on this basis would, in pay terms, be 4.8% in financial year 1985/86 rising to 9.3% the following financial year and to nearly 15% at maturity, after 7 years.) I do not suggest that such assumptions are any more realistic than those which the employers may be making, or that they are in any sense negotiable. My point is that no set of such assumptions has been tested in negotiation, making it very difficult for me to state publicly that the proposals are unaffordable tout court. As respects the educational acceptability of the package, I have also made clear to both sides that I am far from regarding the employers' package as ideal - it does not provide a convincing foundation for effective management within the schools and I do not think that it makes sufficiently central the principle that pay should be more directly related to standards of professional performance. But the package does contain some very desirable elements - for example arrangements for the rigorous assessment of performance and a more precise definition of the teacher's contractual duties and responsibilities - and I am convinced that if I were now to seek occasion publicly to present my doubts about some aspects of the package, this would not assist my continuing pursuit of the desirable elements of the package.

The existence of the employers' proposals is not, I suggest, an obstacle to the examination of other approaches to improving the management and appraisal of teachers. You will have seen the wide publicity which has been given to my suggestion that we should consider the possibility of making regulations which would lay upon employers a statutory duty to make periodic assessments of their teachers. This is a possibility on which I am already consulting the employers and teacher unions. As for obtaining better contracts, we must remember that the Government is not the employer. Teachers are employed by 104 local education authorities and 5,000 governing bodies of voluntary aided (ie largely church) schools. This makes for obvious difficulties in promoting a coordinated approach to revising teachers' contracts, but there have been private exchanges at official level on the possibility of introducing tighter contracts which would help employers to ensure the continuous, efficient operation of their schools. That course is clearly not unthinkable or impossible, but success would require the simultaneous agreement of a significant proportion of LEAs and preferably, but improbably, all 104 of them. I do not think it realistic to suppose that a handful would invite direct conflict with their teachers by unilateral action in isolation from the great majority. The tradition of a national, collective approach to teachers' conditions of service leaves me pessimistic about any early advance on the contractual front. Meantime I will continue to encourage the employers to stand firm in the face of any disruptive action which some teachers may take this year and to insist upon the fulfilment of the terms of teachers' current contracts. Your officials have been sent a copy of the guidance which the Council of Local Education Authorities issued in December to its members on combating disruptive action.

The next meeting of the Burnham (P&S) Committee is on 28 January when the teachers seem likely to press for a quantified offer.

I propose that the instructions set out in my letter to you of 30 November should stand for the 28 January meeting so far

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as any employer proposals to offer more than 3% are concerned (ie strongly resist by argument and weighted vote, using the veto if necessary to block any proposed offer over 4%). But with a settlement date of 1 April, it would be inappropriate for my representatives to strongly resist an offer at or below 3% if the employers should favour that: I am adjusting the November instructions for use on 28 January in this small regard only.

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

*Ernie Cross*

*Kent*

EDUCATION

Teacher's Pay

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