

to



DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

Janet Lewis-Jones
Private Secretary
Lord President of the Council
68 Whitehall
London SW1

N
25/3

27 March 1985

Dear Janet,

TEACHERS' PAY : BRIEFING AND PUBLICITY

As agreed in the exchanges of 12 and 20 March between the Lord President and my Secretary of State, I am circulating herewith an up-dated briefing note on teachers' pay.

Copies go to private secretaries to members of the Cabinet, to Andrew Turnbull (No 10) and to Richard Hatfield (Cabinet Office).

Yours,

Elizabeth

MISS C E HODKINSON
Private Secretary

TEACHERS' PAY DISPUTE

26 MARCH 1985

OVERTAKES ALL EARLIER VERSIONS*

Line to Take

1. Deplore action of three largest unions. Regret AMMA's announced decision to join in the disruption. Welcome responsible attitude of other three unions. Acknowledge difficulties put on heads.
2. Deep concern for continuity of education of children. Disruption unprofessional.
3. Unreasonable of teachers to strike for a £1,200 (or 12.4%) pay claim. Compare real increases since 1979 with 1974-79 erosion.
4. Settlement can only come through negotiation or arbitration. Employers' present offer of 4% is not unreasonable given their ability to pay. The offer of arbitration remains open but Government has said that additional funds are not available to fund an arbitral award.

Background Note attached, together with a copy of the letter which Sir Keith Joseph sent to backbenchers on 27 March 1985.

*Sidelines indicate revised material.

BACKGROUND NOTE

The following sets out the background to the present disruption of schools by teachers over pay.

1. **Teachers' pay claim:** is for a minimum flat rate increase of £1,200 for all primary and secondary teachers. This is worth about 12 per cent on the teachers' pay bill which totals about £4,300m (not including superannuation or national insurance contributions by employers - these push the bill up to about £5,100m).

Unions see the claim as the first step towards a return to "Houghton" salary levels involving increases of 30-40 per cent overall.

Sir Keith Joseph, Secretary of State for Education, has described the claim in the House as "unrealistic". In answer to a PQ on 4 December (OR 4 December, Vol 29, No 21, Col 164, he said: "The world of Houghton has finished - I hope for ever."

2. **Negotiating Machinery:** Teachers' pay is negotiated in the Burnham Committee comprising the management panel and the teachers' panel. The management panel are representatives of the local education authorities and of the Secretary of State. The teachers' panel are representatives of the main teacher unions.

If both panels agree on pay recommendations, the Secretary of State is required to give effect to them.

If there is no settlement, the matter may be referred to independent arbitration, but only by agreement of both the management and teacher panels.

Employers expressed their strong dissatisfaction with machinery in a meeting with the Secretary of State on 6 March. On 7 March he sent an open letter saying that he was ready to consider the case for change but that he would want to be satisfied that any new arrangements offer the prospect of being a real improvement on the present ones.

3. **The Management Offer of 4% and Arbitration:** The management offered a 4 per cent pay rise at a meeting of the Burnham Committee on 28 January. The teachers immediately rejected it.

The management offered to go to arbitration. The teachers refused that, too. Management offered conciliation and the two sides held exploratory talks with ACAS on 19/20 March. The teachers have asked the Government to state its position on financing any arbitral award. Replying to Mr McAvoy of the NUT on 18 March, the Secretary of State wrote:

"The Government's plans for expenditure on education and on other public services together with the economic and financial strategy which underlies those plans are set out in the recent Public Expenditure White Paper (Cmnd 9428). Provided that the cost of employing staff can be contained, the plans for 1985-86 give local education authorities the opportunity to make a modest improvement in pupil to teacher ratios, and to continue to develop and implement policies for the school curriculum in pursuit of the objectives which I set out in my speech in Sheffield in January 1984. The offer which management have made provides a basis for accommodating within those plans a fair pay settlement for teachers as well as progress towards our educational objectives. As to arbitration, I made the position clear in my open letter of 1 March to Mr Giles Radice MP. Last year, before arbitration had been agreed, I said that:

"Throughout this pay round the Government's position has been that there can be no question of additional resources being made available to local authorities. No reference to arbitration or an arbitrator's award will change that position".

Exactly the same would be true this year. A reference to arbitration would not result in any additional resources being made available to local authorities."

4. **Industrial Action:** NUT and NAS/UWT continue national withdrawal of goodwill and escalating programme of selective strikes. AMMA (Assistant Masters and Mistresses Association) have voted against strikes but for withdrawal of goodwill. Decision to be taken at Easter conference

|| but reports that AMMA members will at a minimum refuse to undertake meal and midday supervision.

The National Union of Teachers (which represents about half of all teachers) called on its members to "withdraw goodwill" from Wednesday, 6 February by refusing:

- to cover for absent colleagues;
- to supervise school meals and other lunchtime activities;
- to do any work connected with school meals;
- to attend staff meetings or parents' meetings outside school hours.

|| Since 26 February the NUT has been holding an escalating programme of selective 3-day strikes hitting different schools each week - 212 first week; 255 second; 353 third; 434 fourth and 466 fifth (25-27 March).

|| The National Association of Schoolmasters/Union of Women Teachers (NAS/UWT) held a half day national stoppage on 26 February. It also called on its members to withdraw goodwill from that date. It started selective strike action on 4 March; as it gives minimum notice it is very difficult to say exactly how many schools are being affected but some 400 were being hit during week beginning 25 March.

|| Not all of the schools affected by strikes are being completely shut down. To note the selective scale of these strikes - there are 28,600 nursery, primary, secondary and special schools in England and Wales.

5. **Employers' Reactions:** All teachers who strike have their pay deducted. || Over 60 LEAs have now written to teachers drawing attention to the implications of taking action short of striking and giving notice that || if contracts are breached pay can be deducted. 20 LEAs are actually || deducting pay. In view of the selective nature of the action, the two unions involved are able to reimburse any docked pay so the action is not hitting individual teachers' pockets.

y Since 1979:

- the cumulative pay increases given to teachers since May 1979 have kept ahead of inflation (69.9% cumulative pay rise May 79-April 1984 v 63.3% rise in RPI May 79-April 84)
- average salaries have risen over this period by 78.7%, giving a real increase in average salaries of $\frac{178.7-163.3}{163.3} \times 100 = 9.43\%$
- teachers' pay was increased by 5.1 per cent from April 1984 (following last year's arbitration award).

7. **Current Levels of Pay:** The average teachers' salary today is approximately £9,700 per annum. The average in 1978 was less than half of that, £4,500 per annum. However, there is a wide range of salaries: £5,450 pa to £22,941 pa. Very few are at these extremes. Just over 60 per cent of all teachers are on Scale 1 (average £7,700 pa) or Scale 2 (average £9,000 pa).

8. **Restructuring:** This is a long and complicated story which the press and the NUT have tried to use to create a rift between the employers and the Secretary of State. The Secretary of State has tried to end misrepresentation, misunderstanding and speculation by publishing two letters, one to Mr Radice MP (which explains the consistency of his position in never suggesting that an extra 7 per cent would be available to finance structure reform) and the other to the management panel spokesman on Burnham (which confirms that the Secretary of State is still ready to receive and consider a reform package and that he does not believe that the management panel has misrepresented his position in Burnham meetings).

These matters need sensitive handling and comment and should be avoided if possible. Questioners should be referred to the text of the two letters, copies of which are attached to this brief.



HOUSE OF COMMONS
LONDON SW1A 0AA

Dear Colleague.

27 March 1985

I thought you might like me to clarify the present position on the dispute over teachers' pay. There has been a flurry of statements recently - many of them misleading.

Teachers are not as well paid as they would like. Nor are many other public servants in this country. One basic reason is that we are not as prosperous as we should be - partly due to the damage done by the "comparability" approach of the Seventies, which helped to leapfrog us into the arms of the IMF.

The simple fact is that teachers' pay has more than kept pace with inflation since we came into Office. They have been offered a further 4% from 1 April, which is all the employers consider they can afford. Certainly there is no prospect of the Government making additional money available for the current pay round (but see below). The cost of any larger rise would have to be borne elsewhere in local government expenditure - perhaps by school maintenance, the purchase of books or the teacher:pupil ratio.

But the Government's position is not as bald as that. Teachers' morale matters greatly to us: we recognise that their promotion prospects are reduced by falling rolls; that they are having to adjust as their task changes - for example we need new curricula and will have new examinations; and that their pastoral role increases with eg the number of broken homes. These are amongst the many reasons why it is time to change the pay structure and the management of the entire profession.

A central element of any new structure must be the introduction of a system of performance appraisal. Public comment is overwhelmingly on the side of such a system: indeed many people are surprised to find that it does not operate already. I believe teachers should see appraisal in a positive light, as an aid to their own development, and to more dynamic promotion for good teachers at a time when many fear stagnation. It should enable those encountering difficulty to be identified and offered professional support. But I make no secret of my view that the interests

of the pupils must come first in the small number of cases where a teacher's performance cannot be restored to a satisfactory standard.

I am also prepared to consider a system providing more pay for good teachers. That could mean a substantial proportion of the teacher force. But I can only go to Cabinet to ask for extra money if I am satisfied that any package worked out between the teachers and the employers will deliver good value for money. There can be no question of a phoney "productivity" package: the lessons of the past speak for themselves. Nor can I say in advance what extra money might be found - but it would have to be within what the country could afford. Any improvements might therefore have to be phased.

Disruption takes a variety of forms. Much of it is not straightforward strike action, but "withdrawal of goodwill" intended to reduce the quality of service provided without hitting the teachers' pockets. But whatever form it takes, disruption and strikes by teachers are wrong in principle, and likely to be unproductive in practice since I very much doubt whether they will change the employers' minds. Pressures against children will certainly not change mine. The offers before the teachers seem to me entirely fair and reasonable: a pay increase of 4%; or arbitration; and a chance to negotiate a new structure for the profession. It is short-sighted of the unions to refuse all these opportunities.

Finally, I would ask you to see our position as part of a broader strategy to raise the standards of British schools. Our White Paper describes what we are doing on the curriculum, examinations, teacher training and school governing bodies. The teachers are crucial to all this: that is why I shall continue to work, with the support of many teachers themselves, for a more professional profession.

Yours sincerely,

Keith

KEITH JOSEPH

28 MAR 1985

