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Minutes of a meeting held at 10 Downing Street
on Wednesday 1 May, 1985 at 2:30pm.

PRESENT

Rt. Hon. Margaret Thatcher, MP
Prime Minister.

Rt. Hon. Nigel Lawson, MP
Chancellor of the Exchequer

Rt. Hon. George Younger, MP
Secretary of State for Scotland

Rt. Hon. Patrick Jenkin, MP
Secretary of State for the
Environment

Rt. Hon. Tom King, MP
Secretary of State for Employment

Rt. Hon. Sir Michael Havers, QC MP
Attorney General.

Rt. Hon. Sir Keith Joseph, Bart, MP
Secretary of State for Education
and Science.

Rt. Hon. Nicholas Edwards, MP
Secretary of State for Wales

Rt. Hon. John Biffen, MP
Lord Privy Seal

Rt. Hon. Douglas Hurd, MP
Secretary of State for Northern
Ireland.

SECRETARIAT

Mr A J Wiggins

SUBJECT

School Teachers

(Previous meeting held at 10 Downing Street on 2 April 1985 at 10:15am)

The meeting considered minutes to the Prime Minister of 19 April from the Secretary of State for Employment, of 26 April from the Secretary of State for Education and Science, and of 29 April from the Chancellor of the Exchequer and from the Secretary of State for Scotland.

2. THE SECRETARY OF STATE FOR EDUCATION AND SCIENCE said that, following the Prime Minister's previous meeting on 2 April, he had reviewed carefully the action open to the Government to overcome the present difficulties with school teachers. The current situation was damaging to education, and preventing progress in the improvement of educational standards, and some way had to be found of reducing the sourness of the teaching profession which underlay the current difficulties. There could be no question of substantially greater pay increases for teachers during the current pay round than the Government had contemplated hitherto; but once a settlement was reached in

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the current dispute, the Government should take an initiative, in discussion with the teachers and the Local Education Authorities (LEAs), with the objective of securing the institution of effective arrangements for the appraisal of individual teachers' performance in return for a restructuring of teachers' pay scales. This might cost £250 million, a year phased in over 3 years, and should offer the prospect of pay increases, over and above annual pay settlements and normal increments, to 50 per cent or more of the present teaching force. Some 10 per cent of teachers might receive a 20 per cent pay increase, a further 15 per cent a 10 per cent increase, and a further 30 per cent a 5 per cent increase. These increases would only be given in return for proven effective classroom performance, and there could be particular preference for good teachers of shortage subjects. So far as teachers' contracts were concerned, the problem derived from employer reluctance to enforce existing actual or implied contractual obligations, and could not be remedied by the statutory imposition of new contractual terms.

The ensuing discussion covered the following topics.

- a. Teachers' Contracts. The written terms of contracts between teachers and their employers were in general very imprecise. However, the best legal advice was that, apart from lunch-time supervision, all the duties which teachers might reasonably be expected to perform outside the classroom - marking homework, seeing parents, developing the curriculum - would be held by the courts to be part of their existing or implied contracts of employment. The difficulty was that the cases currently before the courts had been initiated by the National Union of Teachers, with a view to confirming that their members were not required to undertake lunch-time supervision, and that the union would do nothing to bring them to an early decision. It was for consideration what the Government could do to encourage well-disposed LEAs to initiate other cases, and to press them to the earliest possible conclusion; even then, however, the processes of appeal might take several months. The alternative approach would be to seek by new legislation to impose clear contracts of employment on teachers; but this could not be done within a short timescale, and enforcement would still depend on often unwilling LEAs. It would, furthermore, be very unusual for Parliament to impose more onerous contracts of employment by new primary legislation on any particular group of employees.

CONFIDENTIAL

- b. Effective action in pursuit of the Government's objectives. Even if £250 million a year could be made available for restructuring teachers' pay, there was no certainty that LEAs would act consistently with the Government's intention to introduce an effective system of appraisal of teachers' performance. There was thus a risk that the Government might find themselves paying considerable extra sums to teachers, without the assurance either of an improvement in teachers' performance, or any progress in ensuring that they undertook the whole range of duties outside the classroom. One approach to this problem might be to make some element in the Rate Support Grant (RSG) conditional on LEAs complying with the Government's objectives on teacher appraisal and teachers' contracts; however, discrimination on these lines in the allocation of Government funds among LEAs would again require new primary legislation.
- c. Teacher productivity. Although the teaching force in England and Wales was contracting by 6,000 a year, reductions in the number of teachers were not keeping pace with reductions in the numbers of pupils in schools. One way of making more money available to pay working teachers would be to achieve a faster reduction in teacher numbers, accepting that this would mean somewhat larger classes. Good teachers with larger classes generally secured better results than less good teachers with smaller classes. The difficulty was that faster reductions in teacher numbers could only be achieved by additional school closures, which LEAs were reluctant to enforce. This was a further area in which it might be useful to examine the scope for furthering the Government's objectives by attaching conditions to the allocation of RSG funds.
- d. Scotland. The position in Scotland was different from that in England and Wales. More progress had been made in curriculum development, but this had now been brought to a halt by the teachers' action. Whereas in England and Wales it seemed unlikely that a contract including lunch-time supervision could be negotiated with the teachers at a price which the Government could contemplate the Scottish Secretary felt that he could, achieve the desired result. It was recognised that a fuller discussion would be needed of the Scottish situation, and of the suggestion that it would be worth conceding a substantial pay increase in return for a teachers' contract which met the Government's objectives; account would need to be taken of any progress made by the Secretary of State for Scotland in discussion with representatives of Scottish LEAs.

CONFIDENTIAL

- e. Burnham Committee. It was noted that the teachers and the LEAs had agreed to a further meeting of the full Burnham Committee on 13 May, to be preceded by an informal meeting which the Chairman of the Advisory Conciliation and Arbitration Service was expected to chair. Now that this meeting had been arranged, the teachers' unions might reasonably be asked to call off industrial action at least until after it had taken place. Meanwhile the Department of Education and Science representatives on the Burnham Committee remained under instructions to veto any offer in excess of 4 per cent, unless it were clear that an offer of 4.8 per cent or less would be sufficient to secure a settlement.
- f. Measures to counter selective action. So far as teachers were concerned, consideration should be given to the possibility of depriving them of more than one 365th of a year's pay for each day of strike action; there would be difficulty, however, in insisting that all teachers at the school should be laid off without pay if any of their number went on strike; it seemed likely that teachers would be entitled to be paid under existing contracts provided they demonstrated their willingness to work, and it would be hard to defend withholding pay from conscientious teachers who were not supporting industrial action. Nevertheless action to permit the laying off of workers deprived of their normal work by selective strikes of key employees should be further considered; draft legislation had already been prepared applicable to the Civil Service only or more widely. The Secretary of State for Employment would prepare a further paper on this issue. So in the case of the teachers, the idea of giving parents the right to sue unions responsible for preventing LEAs from fulfilling their statutory duties seemed a more promising approach; the Secretary of State for Employment had commissioned further work on this possibility.

THE PRIME MINISTER, summing up the discussion, said that Ministers were determined that there could be no question of a major restructuring of teachers' pay without the clearest assurance that effective arrangements for the appraisal of teacher performance would be introduced and that the scope teachers had for disrupting the work of schools would be reduced. The Education and Scottish Secretaries should undertake further work to resolve their difference of approach on the question of bringing in effective contractual arrangements which would



CONFIDENTIAL

prevent the disruption of schools and ensure progress in the development of the curriculum. All avenues should be explored for securing teachers' compliance with a reasonable definition of their duties; this work should include possible action in the courts, specific legislation on teachers' contractual obligations, and sanctions through the RSG to secure LEA cooperation. The Secretary of State for Employment should bring forward further papers on the possibility of laying-off workers whose jobs were disrupted by strikes of key employees, and of giving consumers of public services rights to sue trade unions which prevented public authorities from fulfilling their statutory duties. A further meeting of the present Group should be held before the Whitsun Recess to review progress.

The Group of Ministers -

1. Took note with approval of the Prime Minister's summing up of their discussion.
2. Invited the Secretary of State for Education and Science and the Secretary of State for Scotland, in consultation with the other Education Ministers and the Attorney General, to consider further how a satisfactory teachers' contract of employment could be designed, introduced and enforced, and to report back by 15 May 1985.
3. Invited the Education Ministers, in consultation with the Secretary of State for the Environment and the Chancellor of the Exchequer to consider how pressure could be put upon Local Education Authorities, whether through the allocation of RSG funds or in other ways, to act in accordance with the Government objectives, and to report back within the same timescale.
4. Invited the Secretary of State for Employment to bring forward further papers on the possibility of laying-off without pay workers whose jobs were disrupted by selective strikes by key employees, and on the possibility of giving recipients of public services the right to take action against trade unions which prevented public authorities from fulfilling their statutory duties.

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COMMISSION

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10 DOWNING STREET

From the Private Secretary

2 May 1985

Dear Elizabeth,

I attach a record, prepared by the Cabinet Office, of the meeting held by the Prime Minister yesterday to discuss school teachers.

I am sending a copy of this to Rachel Lomax (HM Treasury), John Graham (Scottish Office), Colin Jones (Welsh Office), John Ballard (Department of the Environment), David Morris (Lord Privy Seal's Office), David Normington (Department of Employment), Jim Daniell (Northern Ireland Office), Henry Steel (Law Officers' Department) and Richard Hatfield (Cabinet Office).

Yours sincerely

Andrew Turnbull

ANDREW TURNBULL

Miss Elizabeth Hodkinson
Department of Education and Science

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