



WDBpm
AT 2/7

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

2 July 1985

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

Dear Secretary of State,

TEACHERS' PAY (E&W)

Thank you for your letter of 28 June. I agree with your conclusion that your representatives' instructions for this week's Burnham meetings on pay should remain unchanged. To accept anything more than 5.5 per cent would give the wrong signal to other pay groups and would undermine the decision we reached last Thursday on the total for local authority current expenditure in 1986-87.

I note that you are in contact with the employers' side about progress on schoolteachers' pay and conditions generally and should be grateful if you would keep me closely in touch with developments on that front too.

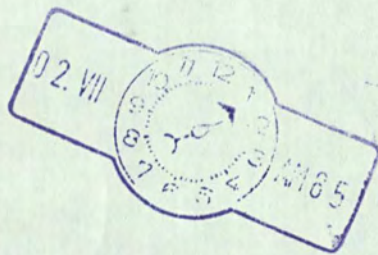
A copy of this letter goes to the Prime Minister, to other members of E(PSP), to George Younger, Nick Edwards, and Douglas Hurd, and to Sir Robert Armstrong.

Yours sincerely,

Margaret Chava

NIGEL LAWSON

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



Teachers
Roy
PR4

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File cc

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10 DOWNING STREET

From the Private Secretary

1 July 1985

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Dear Elizabeth

TEACHERS' PAY (E AND W)

The Prime Minister has seen your Secretary of State's letter of 28 June to the Chancellor of the Exchequer. She agrees that the present 5.5% veto level should continue to apply to the single level of another unstaged offer or to the final level of a staged offer.

I am copying this letter to Private Secretaries to members of E(PSP), John Graham (Scottish Office), Colin Williams (Welsh Office), Neil Ward (Northern Ireland Office) and Richard Hatfield (Cabinet Office).

*Yours sincerely
Andrew Turnbull*

(Andrew Turnbull)

Miss Elizabeth Hodkinson,
Department of Education and Science.

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Prime Minister ②

To read

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28/6

CCOL

DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH
TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

The Rt Hon Nigel Lawson MP
The Chancellor of the Exchequer
The Treasury
Parliament St
LONDON SW1

CONFIDENTIAL

28 June 1985

Dear Nigel,

TEACHERS' PAY (E AND W)

The Burnham Committee dealing with schoolteachers' pay meets on 3 July, that dealing with further education pay on 5 July. I have been reviewing the instructions currently agreed between us (my letter to you of 21 May, your response of 23 May and Patrick Jenkin's letter to me of 22 May). The context is now different from that applying earlier in the year, in a number of important respects. First, I must expect an anti-Government majority amongst Burnham employers, in the wake of the 2 May county elections. Secondly, we have announced decisions on 3 review body reports, which reduce the likelihood of an early settlement with the teachers at the kind of level we might be willing to see happen. Thirdly, my letter of 21 May to the employers set out the Government's terms for new money from 1986/87, opening the possibility of additional resources for next year, perhaps allowing a staged settlement this year deliberately designed to increase promotion opportunities for good teachers, provided there is satisfactory progress towards our objectives by October. I think it is particularly important not to allow dilution of our terms for additional resources for next year, by allowing the employers to move to an unselective, staged offer this year with cost consequences from next April.

I conclude that the present 5.5% veto level should continue to apply to the single level of any unstaged offer or to the final level of a staged offer, as the case might be.

But I have to tell you and colleagues plainly that recourse to the veto this year might lead either to the repudiation of the voluntary agreement on which it and my weighted vote rest, with the employers proceeding to make the offer nevertheless, or to a public dust-up with the employers ranged alongside the teachers, and the Government presented as the only obstacle to an end to disruption in schools.

I do not imagine that there can be settlement on either date and I shall be continuing my efforts to get the employers to lend their support to my 21 May initiative for progress on schoolteachers' pay and conditions generally.

I should need to have any comments you or colleagues might wish to offer by close of play on Tuesday 2 July.

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.

Yours ever .

Ken .