

CONFIDENTIAL

PRIME MINISTER

## TEACHERS' PAY

The Burnham Primary and Secondary Committee is to meet this Thursday and the Burnham Further Education Committee next Monday. Business will be conducted without the concordat.

The local authority associations decided unilaterally to drop the concordat last Thursday after my representatives, with 5 ACC supporters, had voted down a damaging amendment to a form of words which the management panel was minded to offer the teachers as encouragement to them to join the employers in a joint approach to me on resources. I put the theatrical nature of this engineered breakdown onto the record in response to Mr Radice's Private Notice Question last Thursday when I explained that I had already made very plain my continuing readiness to meet both sides and that the so-called breakdown related to preparatory words for a meeting and not to any substantive proposal.

On Friday the Burnham Further Education Committee met and the employers voted, with only my representatives casting their 2 votes against, to make proposals (not a formal offer) for a staged 7% pay increase plus a merging of the first two lecturer scales. This would cost 5.5% on the pay bill for 1985/86; put 7.1% on the baseline for the 1986/87 pay bill; and add 11% to the pay bill after 4 years as the merger of the two scales worked its way through the system.

Today (Monday) representatives of the local authority associations met the school teacher unions and, ironically in the absence of my representatives and the concordat, were unable to reach agreement on a joint statement. Nonetheless both sides decided to reconvene the Burnham Primary and Secondary Committee next Thursday and there must be a real risk that an offer contrary to our policy objectives will then be made and carried with the Government obliged to promulgate the result by statutory order. My representatives will argue strongly and vote against such a course but with just 2 votes will be powerless to stand in the employers' way.

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I am considering what action might be needed on future negotiating machinery. But immediately I think I must make clear yet again the Government's position and repeat our 21 May terms for providing additional resources for 1986/87. I am attaching a draft of the sort of letter which I would propose to send to the employers' leader.

I believe that we must stand firm and encourage employers and teachers squarely to address my 21 May initiative. But I believe it right first to share with colleagues the very grave implications if steadfastness does not lead to a solution. The failure to settle school teachers' pay for 1985/86 will be laid at our door; the likelihood would be of resumed more intense industrial action starting up when the schools return in September; the teaching force is likely to become even more and increasingly demoralised with good, mobile people finding their way out of teaching; and our educational policies set out in "Better Schools", including those for the new 16+ examination, would become increasingly unattainable. This is a heavy price but I think we must stand firm against a straight pay increase which would do nothing to secure progress towards the Government's objectives to improve quality and standards in the education service.

Because it is essential that if I write to Mrs Harrison the letter should issue in the course of tomorrow afternoon, I should be grateful for reactions before 12 noon tomorrow.

Copies go to the Lord President, the Chancellor of the Exchequer, the Secretaries of State for Scotland, Wales and the Environment, the Lord Privy Seal, the Secretaries of State for Employment and Northern Ireland, the Paymaster General, and to Sir Robert Armstrong.

RJS.

K J  
8 July 1985

Department of Education  
and Science

(Approved by the Secretary  
of State and initialled  
in his absence)

DRAFT LETTER FOR THE SECRETARY OF STATE TO SEND TO MRS  
HARRISON

Teachers' Pay 1985/86

The Burnham Primary and Secondary Committee meets on Thursday, 11 July and the Further Education Committee on 15 July. My representatives will as usual make clear within the respective management panels my position on the financing of any offers which the panels might be minded to make. However, lest any should imagine that the Associations' decisions of 4 July concerning the concordat in any way affect the Government's stance on resources I am writing to you in your capacity as leader of the Primary and Secondary management panel, sending copies to the teachers' panel and others most directly concerned.

The Government position on 1985/86 is that no extra resources will be made available to local authorities for that year on account of any pay settlement, nor will there be changes in the system for targets and penalties for 1985/86. (The possibility of such additional resources was held out in my 5 July 1984 letter to you and Philip Merridale, but lost by the failure to settle on an appropriate reform package, in agreement with the teachers. My offer lay on the table for many months following the NUT walk-out last December: it must now be considered time-expired.) The Government is also clear that local authorities' expenditure baseline for 1986/87 will not be adjusted on account of an end-loaded settlement for 1985/86.

What is open to you and to the teachers to pursue is the possibility of some additional resources for next year, in accordance with the terms of my 21 May 1985 letter to you and to Philip Merridale. The Government remains willing to provide new money for that year if and only if that will secure progress towards its objectives for improved

quality and standards in the education service. Briefly stated, those imply improvements in curriculum and educational achievement. These depend to an important degree on teachers and teaching. Hence I want to see pay, conditions and management resulting in the recruitment of good teachers, properly trained, well motivated and deployed to best effect. I believe that these requirements call for a clear, formally agreed and generally accepted description of teachers' duties and responsibilities, together with a pay structure which matches recruitment, motivation and management needs.

- *performance?*

In inviting the employers and teachers to address this possibility, I would call attention yet again to the time discipline stated in my 21 May 1985 letter. That said that the parties must reach an acceptable and firm agreement in principle by October 1985. I made it clear when I met the Associations (on 24 June and 1 July) and in my letter of 2 July to Mr Jarvis that October was not an arbitrary choice. After then it is simply too late for any agreement to be reflected in the 1986/87 RSG settlement. Seven weeks have now passed since that 21 May initiative. It seems to me vital that no more time be lost. As you know I am ready to join in such discussions as might help matters forward to a solution, with you and with the teachers, together or separately.

I am sending copies of this letter to John Pearman as Chairman of the Further Education management panel, to the Chairman of the Committee, Sir John Wordie, to Arthur Harries of the ACC Education Committee and to the Joint Secretaries of both Burnham Committees. I am also releasing it to the Press.