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FROM THE SECRETARY OF STATE

Seen by DW:

The Rt Hon Viscount Whitelaw PC CH MC
Lord President of the Council
68 Whitehall
London
SW1A 2AT

24 July 1985

Jim Willie

TEACHERS' PAY DISPUTE

I have been considering improving our arrangements for keeping colleagues in the House informed of our position.

I have decided to institute a system of fortnightly* bulletins to all our backbenchers. The first one has been distributed this week from Conservative Central Office, and I attach a copy together with a copy of the letter I have sent to all colleagues. I have also had placed in the Whips' Office updated, more detailed briefing, (copy attached) and both the letter and bulletin, and the whips office briefing have been sent to each of the education support group MP's. I also propose to arrange more regular meetings of that group.

I am giving the most careful consideration to the question of getting over our position to the ordinary teacher and how any initiative which I might be able to take should be timed.

I am sending copies to the Prime Minister, Members of the Cabinet and to Sir Robert Armstrong.

Jim Willie

* Starting in September

TEACHERS' PAY

SCHOOL TEACHERS' PAY, FURTHER EDUCATION TEACHERS' PAY, AND THE CURRENT DISPUTE

This briefing updates and replaces the earlier briefings of 10 May and 22 May 1985.

This briefing is a compilation of several documents, as follows:-

1. A copy of a letter from Sir Keith Joseph, dated 23 July 1985, addressed to all Conservative MPs, and with which he attached a brief position paper. In that letter, and amplified in the position paper, he draws out 5 major political points which he invites members to use.
This letter has been distributed by Conservative Central Office to all Conservative members.
2. A longer and more detailed position paper, also dated 23 July, on school teachers pay and the dispute, and including a section on the further education teachers pay claim.
3. A copy of the Secretary of State's statement to the House of 17 July.
4. Copies of the Secretary of State's letters about a bargain on teachers pay and conditions, 5 July 1984, 21 May 1985, 2 and 9 July 1985.

END



HOUSE OF COMMONS
LONDON SW1A 0AA

To All Conservative MPs

23 July 1985

Dear Colleague

The 1922 Committee asked for every Conservative Member to be given up-to-date information on teachers pay and the current dispute. This letter, with the 3 pages of position paper attached to it, fulfils that request. In addition, I have arranged for a further, detailed and updated briefing paper (replacing the earlier ones) to be placed in the Whips' Office before we rise for the recess. This letter summarises the current position; the Whips' Office briefing gives additional detail, including copies of relevant correspondence.

Also, in the unhappy event of the dispute running into the autumn, I shall arrange for brief updates of the situation to be sent to each colleague on a fortnightly basis, supplemented as necessary with extra material. These fortnightly briefs will begin in September, and should be read in conjunction with the material attached to this letter, and that placed in the Whips' Office.

I accept that the public as a whole, and the classroom teacher in particular, is not sufficiently informed of the situation, and most do not even know what is on offer. I would ask all members to assist me in getting across the message that the Government has been and is making a positive attempt to bring about a satisfactory settlement of this long running dispute, and to bring about a reform of teachers pay and conditions of service, to the benefit of good teachers and in order to raise the standards of the service.

I suggest that members emphasize the following 5 points, all of which are amplified in the attached position paper.

1. The Government has offered the teachers faster promotion, a clearer definition of duties and responsibilities, the removal of midday supervision from those contractual duties, and more money to be put into next year's RSG in order to pay for these improvements.
2. The Secretary of State encouraged the teachers and employers 12 months ago to negotiate similar proposals. Had the teachers accepted then, the improvements and the money would have been in place this year. It is not a case of "jam tomorrow", jam was offered yesterday.
3. It is the leaders of the NUT who refused then, and refuse now to negotiate on any such agreement. They are denying teachers the prospects of better pay, promotion, and conditions of service.
4. The cost of any pay award this year has to be found from within the LEAs existing resources. The Government will not make extra money available for 1985/86. Any pay award above what LEA's have already budgeted for would therefore damage the education service, and ultimately the teachers themselves.
5. Teachers industrial action cannot find more money for this year. Refusal to negotiate has lost what extra money might have been available for this year and will jeopardize prospects for next year. Such disruption damages the professionalism of teachers, the service, and the education of our children.

Please use this material as effectively as you can. I will continue to keep you informed.

Yours ever, Keith

TEACHERS PAY

POSITION AS AT 23 JULY 1985

Government's Offer

1. Extra money will be put into the RSG for 1986/87, to be spent on teachers pay, provided an agreement is reached between the LEAs and the teachers, and is one acceptable to the Government, on:-
 - a. More rapid promotion of good teachers in the light of appraised quality of their performance and the demand for their skills and subject qualification. In this way the effective teachers can be given more financial reward.
 - b. Teachers duties and contractual responsibilities. The Government offered a provisional 14 points of such duties as a basis for negotiation.
2. Yet further extra money could be put into the RSG for 1986/87 to cover, as a separate item, the midday, lunchtime supervision. In other words the Government is prepared to exclude altogether lunchtime supervision from teachers contractual duties, and to provide for supervision (by teachers or others) as an extra.
3. If such extra provision is to be made in next year's RSG, there must be an acceptable agreement on all of this by October 1985. This is not an arbitrarily chosen date, it is the latest possible date if the Government is to include it in the calculations for next year's RSG.

Secretary of State's Offer Last Year

4. The Secretary of State offered last year to consider putting more on this year's RSG in return for an agreement on "restructuring" teachers pay. Had the teacher unions agreed then, the teachers could have benefited now, this financial year. There was no such agreement, the NUT refused to negotiate any such package.

Refusal by the NUT

5. As Burnham is currently constituted the NUT dominates the other teacher unions and can, with the help of their colleague union NATFHE, out vote all others on the teachers' panel of Burnham. Discussions on reforming teachers pay structures started as long ago as 1981. The NUT blocked any such reform last year, and thus blocked the more money teachers could have had this year. They are now blocking this year's attempt which would give extra money next year. The NUT are refusing to negotiate upon anything other than a straight, across the board increase, with no reform to give added recognition to teachers of quality.

Teachers Claim

6. The teachers claim for 1985/86 is for a minimum flat increase for all teachers of £1,200 per year. This amounts to a 12% increase on the teachers' pay bill. The total teachers' pay bill, including superannuation and national insurance contributions, is £5,100 million. A 12% increase on that would make it £5,700 million. The teachers claim would thus add £600 million to the bill. More recently the teacher unions have indicated their minimum position as being:-
 - at least 6.9% increase in pay during 1985/86

- more than 7.5% increase in pay rates by the end of 1985/86 (in order to provide a higher base for 1986/87)
- a promise by the employers to return to "Houghton levels".

All this without any commitment by the teachers to the reforms that the Government wants to see to improve the service.

Employers Response

7. Initially, the management panel of Burnham offered 4%. The teachers rejected it. Employers offered arbitration; the teachers rejected; conciliation through ACAS; the teachers rejected. Employers raised the offer to 5%. The teachers rejected, and rejected renewed offer of arbitration. The last formal offer at Burnham on 16 July was this 5%. Employers, at that meeting, however indicated a possible further improved offer, subject to a reciprocal willingness to compromise from the teachers. That suggestion was:-

- a. 5% (or £480/a minimum) pay rise, backdated to 1 April 1985.
- b. Merger of Scales 1 and 2 from 1 September 1985.
- c. A further 1% pay rise from 1 November 1985, provided agreement in principle was reached on a structure reform package.

This amounts, overall, to 5.85% for 1985/86 and would put 6.43% on the pay baseline for 1986/87.

Government's Position

- a. The Government's offer of more money for 1986/87 in return for reforms leading to more rapid promotion and agreement on teachers duties, still stands, with October the deadline for agreement to be reached.
- b. The Government will not put more money in for 1985/86, whatever the pay deal eventually agreed.
- c. The Government will not relax the rules on penalties and targets for LEA overspending.
- d. The Government will not increase the baseline for LEA expenditure in 1986/87 as a consequence of a pay settlement this year.
- e. The Government has no power to overrule a pay settlement agreed between the management and teachers on Burnham. The employers have scrapped the "concordat" whereby the Government, by gentlemen's agreement, was given a veto over a proposed pay offer on the grounds of excessive cost to public spending.
- f. The procedure whereby an award can be overruled by resolution of both Houses only applies to an award arising from arbitration.

LEAs Position

- a. LEAs have put into their present budget for 1985/86 an assumed figure for an increase in teachers pay. Some have allowed for a 3% rise, some for 4%, some for 4.5%.

- b. Any award made above those percentages will have to be found from within the LEAs existing budget, probably by reducing expenditure on other educational items, or reducing the total number of teachers.
- c. For each percentage point above the figure already allowed for in the LEAs budget, of any eventual pay rise, it will add sums of the order of £500,000, £750,000, or even over £1 million for the larger authorities, to that LEA's budget.
- Your own LEA will be able to tell you the figure for them.

Industrial Action

10. No amount of industrial action is going to find extra Government money for 1985/86. It only damages the education service, the professionalism of teachers, and the education of the children.

Since February, the largest two teacher unions, NUT and NASUWT, have "withdrawn goodwill", that means no cover for absent colleagues, no midday supervision, no parents evenings, no report writing and so on. AMMA has withdrawn from midday supervision.

NUT and NASUWT have had a programme of selective strikes affecting up to 1 million children in any one week. Recently such strikes were politically targetted at Ministers constituencies and marginal seats.

NUT threatens to resume such strikes in September.

NUT has also withdrawn co-operation on curriculum development outside school hours, and that affects preparation for the new GCSE.

NASUWT has called on its members not to co-operate on the introduction of the new GCSE.

The selective nature of the strikes and disruption, and the short duration of each strike at each school (up to 3 days at a time) has been designed by the teacher unions to:-

- maximise disruption
- minimise the cost to strike funds
- ensure that no teacher is out of pocket.

TEACHERS' PAY: 23 JULY 1985 POSITION PAPER

BACKGROUND TO THE SCHOOL TEACHERS' PAY DISPUTE

Teachers' claim

1. The teachers presented their claim on 4 November last year 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.

Negotiating machinery

2. The Remuneration of Teachers Act 1965 governs the determination of teachers' pay. Negotiations are conducted in the Burnham Committee comprising the management panel (representatives of the local education authorities and the Secretary of State) and the teachers' panel (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 negotiated settlement the matter may be referred to independent arbitration but only by agreement of both panels. An arbitral award can be set aside only by a resolution of both Houses of Parliament that national economic circumstances require it.

3. Under successive Governments since 1965 business within the management panel has been conducted by agreed procedures which gave the Secretary of State's two representatives a "weighted vote", and the right on the Secretary of State's behalf to veto a proposed pay offer on grounds of its total cost to public funds. The local authority associations wrote to the Secretary of State at the beginning of July to inform him that they would no longer hold to this agreement. The Secretary of State's representatives now exercise 2 votes in a management panel of 27.

4. The employers have expressed strong dissatisfaction with the existing machinery. The Secretary of State has made it plain that he is willing to consider the case for change but would need to be reasonably confident that new arrangements offered prospects of improvement on the present ones. In July the employers formally submitted proposals for a new non-statutory negotiating body to consider both pay and other conditions of service. This will be studied as part of the Secretary of State's general consideration of the current negotiating arrangements.

5. As a result of a number of representations made to him the Secretary of State announced on 2 May that he had decided to review union representation on Burnham. The review should be completed by the end of this year.

Current negotiating position

6. Initially the management panel offered a 4 per cent pay rise. The teachers immediately rejected it. The management offered to go to arbitration. The teachers refused that, too. Management offered conciliation and ACAS sought to launch joint discussions but the teachers failed to respond. A further Burnham Committee meeting on 15 May, resumed on 23 May, resulted in an improved 5% offer. This was rejected as was a renewed offer of arbitration.

7. Subsequently there has been no formal offer above 5% but at Burnham on 16 July the management panel spokesman put on record what might be under consideration if the unions indicated a willingness to compromise. That comprised a 5% (or a minimum £480pa) pay increase from 1 April, a merger of the two lowest pay scales from 1 September, and a further 1% from 1 November provided agreement in principle could be reached

on a structure reform package. This would amount to 5.85% in 1985/86. The press have picked up from discussions another figure of 6.06% made up of 5% or £480 plus 2% from 1 December but this figure has no standing in the negotiations. The unions indicated that they would not accept a settlement which did not give them 6.9% in 1985/86 and did not take them into 1986/87 with a figure in excess of 7.5%, together with an undertaking by the employers to restore "Houghton" relativities, with no commitment whatever to reforms which would ensure progress towards the Government's objectives for improving quality and standards in the education service.

8. The position was set out in detail in the Secretary of State's response to Mr Radice's Private Notice Question on 17 July (Annex A).

The Government's position

9. In July last year the Secretary of State wrote an open letter to the employers' leaders offering to take delivery at any time of agreed proposals for the reform of teachers' pay structures, duties and responsibilities and conditions of service. He undertook to see his colleagues' agreement to additional resources if he considered the proposals had sufficient merit. He has consistently made it clear that there was no possibility of additional funding from Central Government on any other basis.

10. Discussions about reforming the teachers' pay structure which had been in progress since 1981 resulted last November in the publication by the employers of a complete package of reform proposals. On 5 December 1984 the teachers, on an NUT majority vote, rejected the proposals (they have ever since then refused to resume discussions linking pay and conditions).

11. On 21 May 1985 the Secretary of State wrote a further open letter to the employers' leaders in an attempt to encourage the teachers to resume realistic discussion. The Government's position set out in this letter was that since there was no longer any prospect of an agreement on reforms which could be implemented and financed this year no additional resources could be made available in 1985/86. Additional resources would however be made available by the Government in 1986/87 if acceptable agreement could be reached by October 1985 on a clearer definition of teachers' duties (which could exclude midday supervision) and reforms involving increased promotion opportunities. The Government has not specified the level of such additional resources.

12. The Secretary of State wrote to the secretary of the teachers' panel on 2 July and the management panel chairman on 9 July re-affirming the Government's position.

Industrial action

13. Since February the two largest unions (NUT and NAS/UWT) have instructed their members to "withdraw goodwill" (no cover for absent colleagues, no midday supervision etc). The action is subject to wide local variation in intensity and effect. AMMA (Assistant Masters and Mistresses Association) has advised its members to refuse to undertake midday supervision.

14. At their Easter conferences the two main unions both agreed not to disrupt this year's public examinations. Nevertheless some examination classes were affected and some teachers refused to invigilate after normal school hours. NUT secured approval by a ballot of membership to refuse to compile school reports except during normal school hours, and to boycott curriculum innovation and development work outside school hours. This will affect preparations for the new 16+ examinations with which NAS/UWT had already decided not to cooperate. The Secretary of State has made it plain that this will not delay the introduction of the new examinations.

15. Until the last week or so of term NUT and NAS/UWT were steadily intensifying their programmes of selective strikes, affecting up to a million children each week

according to union propaganda. Some schools have been hit repeatedly (before Easter NUT strikes hit different schools each week); and increasingly schools have been selected for political reasons (Ministers' constituencies, marginal seats etc). NUT have indicated that increasingly political targetting of their strikes is likely next term, when both unions have threatened even greater disruption if no settlement has been reached.

16. It is important to note the selective nature and relatively short duration of the strikes (between 1/2 day and three days). This is to maximise uncertainty and disruption and minimise cost to strike funds - no individual teacher is out of pocket. The union publicity on number of schools hit can be checked against the size of the school system - there are 28,600 nursery, primary, secondary and special schools in England and Wales.

Employers' responses to industrial action

17. All teachers who strike, have their pay deducted (and are reimbursed by their unions). Over 60 LEAs have 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. About 20 LEAs have deducted pay for such breaches but only 11 continued to do so. Over 50 LEA's signed statements of sympathy for the teachers' case in return for promises that their schools would not be subject to strikes. However, NUT began to resume strikes in areas where they judged LEA support to be insufficiently positive and is apparently ready to resile from all agreements next term in view of the LEAs' "failure to deliver".

School teachers' salary levels

18. The value of "Houghton" increases awarded in 1974 was almost completely eroded by inflation within 2 years. Cumulative pay rises awarded 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). Teachers' average salaries have risen over this period by 78.8%, 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% from April 1984 (following last year's arbitration award).

Current Levels of Pay

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

The following figures have all been rounded to the nearest £50:-

Scale 1 Teachers

Average pay of Scale 1 teacher £7,700 per annum

Scale 2 Teachers

Average pay of Scale 2 teacher £9,000 per annum

All teachers excluding Heads and Deputies

Average pay £9,300 per annum

Deputy Head

Average pay £11,750 per annum

Head

Average pay £13,250 per annum

Head Teacher of the largest of the schools

This is the maximum salary a teacher can get, and applies to only a few Head Teachers.

£22,950 per annum

FURTHER EDUCATION TEACHERS

20. Following a number of formal meetings of the Burnham Further Education Committee and informal meetings between the teachers and employers, a provisional pay settlement was reached in Burnham on 15 July. The executive of the main lecturers' union (NATFHE) has agreed to recommend it but ratification by members is required and this will not be until November. (Ratification cannot be taken to be a formality: a settlement reached in Burnham last year was not ratified.)

21. The provisional settlement provides for
- i. a pay increase of 5% from 1 April
 - ii. provision for progression from the top of the Lecturer 1 scale to Lecturer 2 as from 1 September
 - iii. a further 2% pay increase from 1 December, if by that date the teachers and employers can agree a report on progress towards pay structure and conditions of employment reform and a feasibility report on economies within the further education service.

22. The cost of the settlement is estimated at 5.8% in 1985/86 but it will add some 7.25% to the 1986/87 baseline. The Secretary of State has made it clear that no additional resources from Central Government are available. A recent Audit Commission report identified substantial scope for economies within FHE and the Secretary of State said that this demanded urgent attention so that all colleges operate at the levels of economy, efficiency and effectiveness of the best.

Annexed for information

- A. Secretary of State's 17 July Statement in the House.
- B. Secretary of State's letters about a bargain on teachers' pay and conditions - 5 July 1984, 21 May 1985, 2 and 9 July 1985.

Teachers (Pay)

Mr. Giles Radice (Durham, North) (*by private notice*) asked the Secretary of State for Education and Science if he will make a statement about the dispute on teachers' pay following the adjournment of the talks in the early hours of this morning.

The Secretary of State for Education and Science (Sir Keith Joseph): I regret that there was not a settlement to the teachers' pay dispute by early this morning. I am sure that the whole House shares that regret. The Government are clear that they want the dispute settled and our schools back to normal, but not at any price.

Yesterday, the management side made clear its willingness to see a settlement involving 5 per cent. for all teachers from 1 April this year, with an underpinning figure of £480 a year. In addition, it was willing to contemplate a merger of scales 1 and 2 with effect from 1 September and a further 1 per cent. on all scale points with effect from 1 November, provided that agreement could be reached in principle with the teachers on a total structure package covering pay and conditions to be discussed with me in time for any resulting agreement to be built into next October's rate support grant decisions. That would have given teachers a money increase of a little over 5.8 per cent. this year and the base line for teacher salary negotiations beyond November 1985 would have been increased by over 6.4 per cent.

I understand that the employers made it clear that those figures took them to, and in many cases beyond, the limit of their ability to pay. The teachers were not willing to accept. The House is aware that I wrote on 21 May to the then chairman of the management panel about pay and conditions of service. I have since repeated the Government's position. We are not willing to make additional resources available for 1985-86 or to relax expenditure targets and grant holdback arrangements for that year, but we are willing to make extra resources available for teachers' pay in 1986-87 and to help meet the cost of removing midday supervision of schools from teachers' standard duties provided—I must emphasise this—that there is satisfactory progress by October towards the Government's objectives for improving quality and standards in the education service.

I have made it plain that October is the critical period because of the timing of Government decisions on rate support grant. After yesterday's meeting, it is all the more important for local authorities and teachers, as well as the Government, that acceptable progress be made by October, thus allowing additional resources to be unlocked for the education service. As a result, local authorities would be able to offer substantially improved career and promotion prospects based on consideration of all of the relevant factors such as teachers' qualifications, skills and experience, the quality of the work done and the demands of particular teaching posts and the difficulty of filling them. Linked with that, the Government would want a clearer statement of teachers' duties. The Government are willing to consider whether midday supervision might not be outside the standard expectation and be arranged and paid for separately. I dearly invite local authority employers and teachers to make progress in those directions.

Mr. Radice: The Secretary of State has once again told the House about the contribution that he is prepared to

make towards an agreement with the teachers next year, but parents want to know what, apart from general exhortation, he is doing to solve this year's dispute. I am disappointed that the Labour-led employers' imaginative new approach has not yet produced a settlement—[*Laughter.*] It is quite clear that Conservative Members are not interested in a settlement.

Does the Secretary of State agree that, during the 13-hour marathon session, the employers and the teachers demonstrated flexibility? Should not the Secretary of State show equal flexibility and help teachers and employers to bridge the gap that is still between them? Could he at least relax the RSG penalties? The right hon. Gentleman knows that the Labour party is doing everything in its power to bring about an agreement.

Is it not about time that the Secretary of State descended from his ivory tower and did everything in his power to solve this dispute, which is proving to be so damaging to our education?

Sir Keith Joseph: The Government will not relax the target and penalty framework. I must remind the hon. Gentleman that I have been offering on behalf of the Government the same sort of contribution towards the financing of education on the same conditions as have been repeated frequently since 21 May for well over a year. The teachers have consistently refused to discuss it. It is not I who have lacked flexibility. As for the opportunities of the hon. Gentleman and his colleagues in the Labour Party, I would remind both him and them that they have allies in the teacher associations. What is he, and what are they, doing to bring the teacher associations, in particular the National Union of Teachers and their leaders—[HON. MEMBERS: "You are the Secretary of State."] The hon. Gentleman laid himself open to this question, since he asserted that he and his party are doing their best to bring the dispute to an end. I have to remind him, and it, that they have allies among the teacher unions, in particular among the leadership of the National Union of Teachers. What are they doing to bring those individuals to their senses and face reality? The pupils must come first. I should like for once to hear the hon. Gentleman put their interests before those of the unions.

Mr. David Madel (Bedfordshire, South-West): Should not the employers make sure that each individual teacher understands precisely what the latest offer is? Then the unions, with the help of ACAS, should ballot the teachers not only on the latest offer but on the wider issue of restructuring salaries.

Sir Keith Joseph: Mr. Teacher—Mr. Speaker. [*Laughter.*] Your predecessor, Mr. Speaker, was a teacher, but that does not justify my slip of the tongue. My hon. Friend has made a valid point. I am not at all convinced that every individual teacher knows what is on offer from the Government. If I could find a way of making sure that all teachers did, I should pursue it. It would then be up to the teacher unions to pursue the idea of balloting, again in some cases, if they so decided.

Mr. Clement Freud (Cambridgeshire, North-East): We agree that pay and conditions must be linked, but would not the Secretary of State agree that he must show a little more flexibility? Nobody will come out of this dispute getting what he wants. Might he not think again about the 14 points in his letter of 21 May and at least agree

Mr. Henderson: In view of persistent rumours that there has been harassment of miners who worked during the strike and their families, will my hon. and learned Friend say whether there have been any prosecutions of that nature since the dispute?

The Solicitor-General for Scotland: It is obviously difficult for me to identify that or to give any statistical information. However, on an anecdotal basis, I am aware that cases have come before the courts involving assaults and breach of the peace in which those who were involved have been working miners or those who have been on strike. How directly those come out of the miners' strike is an issue on which I cannot give a concluded view.

Mr. Eadie: Is the hon. and learned Gentleman aware that the NCB has written to chief constables asking them that the NCB be allowed to precognosce police officers before they attend industrial tribunals? Apart from any question concerning the legality of that, does the hon. and learned Gentleman not think that it would be a waste of time as well as interference?

The Solicitor-General for Scotland: No, generally in Scotland if people are to be required as witnesses before courts or tribunals, it would seem good sense that before they come into the court or the tribunal to give evidence, some sign as to what their evidence is likely to be should be given. If people are seeking to precognosce policemen, that would seem a sensible step.

Mr. Dick Douglas: The hon. and learned Gentleman will be aware that I have written to him about a specific case that is illustrative of the issue generally, the case of Mr. Allan Collins, Sheriff Reid in Dunfermline has shown his concern that the miner involved in that case should not suffer the double jeopardy of being fined by the court and being dismissed by the coal board. Whatever else may be at issue, the Solicitor-General has some responsibility for saying clearly to the House and the country that in the interests of justice, miners who have expunged their responsibilities to society should not suffer the severe penalty of being dismissed by the coal board.

The Solicitor-General for Scotland: The hon. Gentleman used the term double jeopardy, which I might use in a rather more technical sense. I am aware of the case, and the hon. Gentleman is aware that, following on the concern that the sheriff has shown, steps were taken to have that case adjourned and brought before him at a later stage. I understand that that later stage has not yet occurred. Once again, I have to say that in those circumstances it would be wholly inappropriate for me in any way to express a view on it.

Mr. Willie W. Hamilton: On a point of order, Mr. Speaker.

Mr. Speaker: Order. Does it arise out of questions?

Mr. Hamilton: It arises directly out of questions, Mr. Speaker, and you will probably know the point that I am about to raise.

You might recall, as I do, when Prime Minister's Questions came after question No. 45, and that question was often reached. Today, and this is not for the first time in Scottish questions, we reached only No. 12 by 3.20 and we had no less than 10 minutes on question No. 2 on the miners' strike, which is as important to me as to other hon. Members. However, there are more nurses in Scotland than miners, and some of us attach as much importance to nurses' conditions as we do to those of miners.

My point of order is simple. My question is No. 13, which was not reached. It relates specifically to nurses' wages and the way that the interests of patients will be jeopardised because of the way that the wage increase is to be financed. This is extremely important. I know that you, Mr. Speaker, consider questions carefully before you come to the Chamber, and I hope that next time you will assess the relative importance of questions. I hope that when next I table a question on this important matter, you will take this occasion into account and take steps to see that my question is reached.

Mr. Speaker: In fairness to the hon. Gentleman, I agree that we did not make good progress. I interrupted on two occasions and many times from a sedentary position, as both questions and answers were very long.

some of the uncontentious points? It seems that the Government have two alternatives. The first is to do nothing and let the teachers and the employers stew. The other is to show a little understanding of what is going on and to depart a little from their inflexible position.

Sir Keith Joseph: The hon. Gentleman is ignoring the fact that I have offered, on behalf of the Government, additional money for teachers on condition that they co-operate in improving the effectiveness of schooling, which is, after all, for the benefit of the children.

Mr. Mark Carlisle (Warrington, South): Since it must by now be abundantly clear to everyone, first that the Government will not add further funding this year for teachers' pay, and, secondly, that the employers have gone as far as they possibly can, as they said last night, within those limits is it not now in the teachers' own interests that they should start to talk immediately about restructuring pay and conditions so as to take advantage of what the Secretary of State has said about next year? Could my right hon. Friend consider whether it would help in that direction if he indicated the sort of figures that he might have in mind, should a suitable agreement be reached?

Sir Keith Joseph: I entirely agree with my right hon. and learned Friend, but I shall be unable to give an indication of a figure for what might be available until some willingness to negotiate is shown and some progress has been made.

Mr. Martin Flannery (Sheffield, Hillsborough): Is not it a fact that the Government are grossly undervaluing teachers in the state sector and are responsible for the lack of the education that children would have received if the Government paid teachers a proper wage?

Why has the Secretary of State, at this time of all times, linked conditions of service with teachers' wages for the first time when they are saying that they should get their proper wage now and that they would be willing to discuss conditions of service and restructuring afterwards? Most people do not know that, because the press does not tell them. It is disgraceful that the alliance should have gone along with the Government in this.

Sir Keith Joseph: The Government are above all concerned with the effectiveness of schooling for the children. It is on that basis that we seek the co-operation of the teachers.

Mr. Harry Greenway (Ealing, North): Does not my right hon. Friend agree that the time has come to discuss the salaries of head teachers and deputy head teachers separately? Will he bear in mind that for one spell of 13.5 hours last week, teachers' unions and the employers were talking separately and came together for only 18 minutes of negotiation? Does not that show that the Burnham structure has decayed and should be dispensed with?

Does my right hon. Friend know that the Labour education spokesman, the hon. Member for Durham, North (Mr. Radice) shared a platform in outer London the other day with Militant Tendency and sacked miners and said that he was delighted that there were strikes in 14 schools, including two special schools? The Labour party, and especially the hon. Member for Durham, North, is damaging children. It is time that it stopped.

Sir Keith Joseph: I have to agree with my hon. Friend that the Labour party seems to choose to support teachers

the whole while, in conflict with the interests of the children. I am concerned that, as far as I can gather, the differentials of head teachers seem to have come under pressure during the negotiations. I hope that the importance of adequate differentials for heads and their deputies will be borne in mind.

Mr. David Young (Bolton, South-East): Will the Secretary of State take on board the fact that if he were negotiating on behalf of a private organisation or company, he would rightly have been sacked many months ago? Will he also take on board the fact that the choice that he is giving teachers is either more flexibility from the Government or that they should leave the profession if they want an adequate standard of living?

Sir Keith Joseph: No, there is a third alternative, which is to negotiate to secure additional money from the taxpayer so that transformed career and promotion prospects may be made available to teachers.

Mr. Nigel Forman (Carshalton and Wallington): Is not it clear that my right hon. Friend's letter of 21 May offers a sensible basis for the settlement of this difficult and long-running dispute? Would not it be helpful if the proposals in that letter were made more publicly available to the people who should know about them?

Sir Keith Joseph: Yes, indeed. If I could find a way to make them more publicly available, I should wish to pursue it, but my hon. Friend must remember that, as Secretary of State, I do not employ the teachers.

Mr. Derek Foster (Bishop Auckland): If the Secretary of State will not stir a finger to achieve a settlement, will he stop denigrating the teachers and admit that, by his own action, he has forfeited their co-operation which he says is essential to what he wants to achieve?

Sir Keith Joseph: I am constantly paying tribute to the hard work, dedication and effectiveness of most teachers. I have stirred a finger to offer additional money in return for co-operation.

Mr. Radice: For next year.

Mr. Andrew F. Bennett (Denton and Reddish): For next year.

Sir Keith Joseph: No, I have been offering it for the past year, in return for arrangements that would provide teachers with much better career and promotion prospects.

Mr. James Couchman (Gillingham): While I acknowledge that the entry pay for qualified teachers is not high, and that many teachers feel that they must take on administrative duties to enhance their top salary level, does my right hon. Friend agree that both parents and pupils will rightly feel dismayed at the breakdown of last night's talks, when they might otherwise have hoped that the new school year which begins in September would not be disrupted, especially pastoral and extramural studies?

Sir Keith Joseph: I entirely agree with my hon. Friend.

Mr. Guy Barnett (Greenwich): Is the Secretary of State aware that as a consultant to the NUT, I have plenty of allies in the union, and, indeed, sufficient contact with teachers to know the measure of anger that they feel and the degree to which teachers, including some of our best

[Mr. Guy Barnett]

teachers, are voting with their feet? How often has the right hon. Gentleman met the teachers to discover those facts for himself?

Sir Keith Joseph: I am in the habit of accepting practically every opportunity given me to meet teachers. When I visit schools I always make plain my willingness to meet deputations of the staff. The hon. Gentleman should take account of the doubts expressed by some of my hon. Friends. Do all teachers know the shape of what the Government are offering? I wonder whether they do.

Johnson Matthey Bankers

3.51 pm

The Chancellor of the Exchequer (Mr. Nigel Lawson): With permission, Mr. Speaker, I should like to make a statement. I told the House on 20 June that if further investigations into the affairs of Johnson Matthey Bankers were to turn up any evidence of fraud, appropriate action would be taken. Investigations have been continuing since then. Although, strictly speaking, they have not so far established prima facie evidence of fraud, they have revealed serious and unexplained gaps in the records of Johnson Matthey Bankers, including the possibility of missing documents relating to substantial past transactions on certain accounts that are the subject of large losses.

In the light of that, Johnson Matthey Bankers has today requested the Commissioner of the City of London police to conduct a preliminary inquiry with a view to establishing whether any criminal offences may have been committed. The result of the inquiry will be reported to the Director of Public Prosecutions, who will advise what, if any, further action should be taken. The House will, of course, be kept informed.

Mr. Roy Hattersley (Birmingham, Sparkbrook): The Chancellor of the Exchequer was wholly right to inform the House of this latest development in the Johnson Matthey affair at the first opportunity, and I thank him for that. Obviously, it is not possible to speculate about the outcome of the police inquiry — [HON. MEMBERS: "But."] It is, however, essential to clarify the procedure which now follows. Will the Chancellor of the Exchequer confirm that two prosecutions may now result from the unhappy affair: first, regarding the auditors, about which he told the House a month ago, and now Johnson Matthey Bankers? What is more, because of their mutual mismanagement, the Bank of England and the Government are involved in the whole episode. It grows increasingly difficult to answer the question why Johnson Matthey Bankers was bailed out in the first place, and so quickly.

Does the Chancellor of the Exchequer agree that the fullest revelation of all the facts is essential? Will he promise that after the police inquiries there will be a general inquiry into the whole Johnson Matthey Bankers' scandal, either by a Select Committee of the House or under the Tribunals of Inquiry of (Evidence) Act 1921?

Mr. Lawson: I am grateful to the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) for his initial welcome. He referred to the two matters which are now under way as if they are somehow similar. In fact, they are very different. There is the prospect of civil action by JMB, which is now a wholly owned subsidiary of the Bank of England, against the auditors Arthur Young McClelland Moores and Co. Secondly, there is the separate preliminary police inquiry.

The right hon. Gentleman asked why Johnson Matthey Bankers was bailed out. I gave a full explanation of that when I made my statement on 20 June, and the matter was covered fully in the annual report of the Bank of England. As for what might happen in future, I think that it is better at this stage to wait and see.

Sir William Clark (Croydon, South): Is my right hon. Friend aware that his statement will be very welcome, so



DEPARTMENT OF EDUCATION AND SCIENCE

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FROM THE SECRETARY OF STATE

Cllr P D Merridale
Chairman
Association of County Councils
Eaton House
66A Eaton Square
London SW1W 9BH

5 July 1984

Dear Philip.

In the course of our discussion on 4 July about the work of the Burnham Structure Working Party you said you thought it would be helpful if I were to write to you to confirm my position.

As is I think well understood by all concerned I welcome the subject of this working party, and the fact that it covers the scope of teachers' responsibilities, the appraisal of teachers' performance and the career development of teachers as well as the salary structure. We discussed the prospects for implementation, recognising that at the moment we do not have a firm set of proposals.

I confirmed my own readiness to receive and consider a complete package of proposals just as soon as there is a package acceptable to the local authority associations. I am ready to consider such a package at any time, and, if in my judgement it has sufficient merit, to commend it to my colleagues with a view to facilitating its implementation from whatever date is considered practicable and desirable. I cannot of course predict the outcome.

We also agreed that, in the meantime, officials should pursue as a matter of urgency the establishment of one or more development projects, supported in part at least by ESG, intended to aid the rapid introduction of the systematic appraisal of teachers' performance and the application of the results to the management of the teacher force.

I am writing in similar terms to Nicky Harrison.

Ericson/Kear



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

FROM THE SECRETARY OF STATE

Councillor P D Merridale
Chairman
Association of County Councils
Eaton House
66A Eaton Square
LONDON SW1W 9BH

21 May 1985

Jan Philip

Throughout the current round of negotiations in the Burnham Primary and Secondary Committee, and the associated salary structure talks, I have tried to ensure that the Government's position is understood by those concerned, particularly in relation to the possibility that some additional resources might in the Government's view be justified. I think it right to make the Government's present position clear in advance of the meeting of the Burnham Primary and Secondary Committee fixed for 23 May, in relation to both 1985-86 and 1986-87.

In the light of the position reached in this year's negotiations, the Government is not able to make any additional resources available for teachers' pay in 1985-86. The cost in 1985-86 of any settlement must therefore be within what local authorities can already afford to pay, however the settlement is reached.

There has been debate about what should be regarded as the extent of teachers' contractual responsibilities. The Government believes it would be helpful if there were a generally accepted view on this matter, and if the range of teachers' duties was clearly linked with their contracts of employment. I enclose a note setting out the Government's provisional view on these duties. The Government would welcome views on these as a step towards agreement being reached as part of the basis for negotiations about teachers' pay for 1986-87. In the Government's view that agreement could exclude mid-day supervision from the range of teachers' duties from 1986-87. The Government would then provide in the 1986-87 Rate Support Grant settlement some additional resources for mid-day supervision costs.

For 1986-87 the Government would be willing to provide some additional resources for teachers' pay in the Rate Support Grant settlement, if and only if an acceptable and firm agreement in principle can

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be reached by October 1985, which would ensure progress towards the Government's objectives. The Government envisages an agreement which would require employers to promote more teachers than under the existing system to the higher salary scales, exercising their discretion in doing so in the light of the quality of teachers' work and the demand for their skills and qualifications elsewhere. The Government believes that increased promotion could benefit a large number of teachers directly over a period and change pay prospects for all teachers.

Because of the wide public interest in these matters, I am making the text of this letter publicly available. I shall of course be glad to have an opportunity of discussing its contents with you at a convenient time, and I shall also let the teacher unions know that I should be happy to discuss its content with them.

I am writing in similar terms to Nicky Harrison.

Kevin

Kevin

STATEMENT OF TEACHERS' DUTIES

Teachers must

Pupils

1. teach assigned timetabled classes
2. take an appropriate share of collective staff responsibility to cover the classes of absent colleagues
3. plan, prepare, evaluate and review personal teaching methods and programmes in accordance with education authority and school policies
4. take an appropriate share of collective staff responsibility to supervise pupils on arrival at and departure from school and during the school day [including the midday break?]
5. mark, record and report on pupils' work (including homework) and progress in accordance with education authority and school policies
6. provide guidance and counsel on educational, social and career matters in accordance with education authority and school pastoral and counselling policies

Parents

7. consult and liaise with parents, attending meetings arranged for the purpose

Curriculum & Examinations

8. take part in arrangements for presenting pupils in public examinations
9. contribute to the preparation and development of courses of study and teaching materials in response to change in public examinations and assessment procedures and in accordance with education authority and school curricular policies

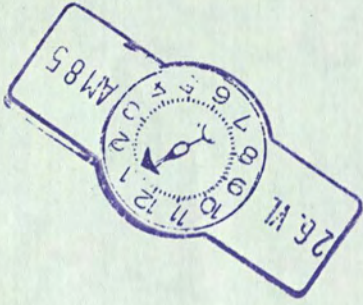
Staff Matters

10. take part in performance appraisal in accordance with education authority arrangements
11. take part in courses of in-service training and other schemes of professional development
12. take an appropriate share of collective staff responsibility for the professional development of colleagues, including new entrants to teaching
13. attend staff meetings

General

14. carry out such other related duties and responsibilities at the school as may be reasonably allocated, as need arises, by the head.

EDUCATION: Teachers Pay .





DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH
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FROM THE SECRETARY OF STATE

2 July 1985

Dear Mr Jarvis,

In the past week I have met representatives of the Association of Metropolitan Authorities and the Association of County Councils to discuss my open letter of 21 May (copy attached for convenience) and to answer certain questions arising from it in advance of Wednesday's meeting of the Burnham Primary and Secondary Committee. I have decided to write to you as Secretary of the Teachers' Panel because it seems important to me that members of your panel should be aware of the key points made at these meetings.

The main points about 1985/86, which are already public knowledge but which I repeated at the two meetings, were as follows:

- i. the Government has taken a firm decision not to make extra resources available to local authorities for 1985/86 nor to make changes in the system for targets and penalties for that year;
- ii. the Government is equally firm that local authorities' expenditure baseline for 1986/87 would not be adjusted on account of an end-loaded settlement for 1985/86;
- iii. the possibility of additional resources for 1985/86 was lost by the failure to produce an acceptable, affordable and negotiable reform package which, in accordance with my letter of 5 July 1984 to the education chairmen of the Local Authority Associations, I could have commended to my colleagues.

/I very much

F Jarvis Esq MA MIPR
Joint Honorary Secretary
Teachers' Panel of the Burnham
Primary and Secondary Committee
Hamilton House
Mabledon Place
LONDON WC1H 9BD

I very much hope that that position will not arise again for 1986/87. My 21 May letter made clear the Government's willingness to provide some additional resources for that year to secure progress towards the Government's objectives. These are to improve quality and standards in the education service. In output terms these imply improvements in curriculum and pupils' educational achievements. These depend to an important degree on the quality of teachers and teaching. Hence I want to see pay, conditions of service and management of teachers which result in recruitment of the right kind of people, trained in the right kind of way, motivated to give of their best and to improve themselves through an expanded network of in-service training, and deployed to match the needs of pupils. A clear, formally agreed and generally accepted description of teachers' duties and responsibilities seems desirable, together with a pay structure which matches recruitment, motivation and management needs.

For additional resources to be made available for 1986/87 it will be necessary for the parties to reach an acceptable and firm agreement in principle by October 1985. This is not an arbitrary date: after October it is simply too late for an agreement to be reflected in the RSG settlement. October is therefore a real deadline and it is important that negotiations get under way quickly. It would be tragic for there to be no extra resources for 1986/87 because of an insistence that 1986/87 cannot be addressed until 1985/86 is settled.

Time is short. I am very ready to join such discussions as might be considered necessary to make progress at the rate required.

I am sending copies of this letter to the Chairman of the Management Panel and to the Chairman of the Committee, Sir John Wordie. I am also releasing it to the Press.

Yours sincerely,

Kenneth Joseph



DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

Cllr. Mrs N Harrison CBE
Leader of the Burnham Primary and Secondary
Management Panel
Association of Metropolitan Authorities
36 Old Queen Street
LONDON SW1H 9JE

9 July 1985

Jim Mills,

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 does it intend to make changes in the target and penalty regime already announced for 1985/86. (The possibility of 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.) I must also make it clear that the Government's expenditure plans for 1986/87 will not be increased on account of any pay settlement, end-loaded or not, 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

Continued.....

stated, those imply improvements in curriculum and educational
development. 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,
including the introduction of performance appraisal, together
with a pay structure which matches recruitment, motivation and
management needs.

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.

Yours,

Kear