

subject as master



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10 DOWNING STREET

1 August 1985

From the Private Secretary

- Jean RB,

The Prime Minister held a meeting today to discuss the latest position on teachers' pay both in England and Wales and in Scotland. Your Secretary of State, the Lord President of the Council, the Chancellor of the Exchequer, the Secretaries of State for Scotland, Wales, Northern Ireland, the Environment and Employment were present, as was Mr. Wiggins.

The Secretary of State for Education and Science, introducing his paper, said that the present situation in schools in England and Wales was extremely serious. Attitudes amongst the majority of teachers, under the malign influence of the National Union of Teachers, had turned sour. Although a minority of loyal teachers and most head teachers were standing firm there was no doubt that motivation was suffering and recruitment, especially amongst shortage subjects, had tailed off. At the same time, there was a very considerable prize to be won through a satisfactory settlement in the form of higher standards in schools, achieved by means of a clear definition of teachers' duties and a rigorous system of appraisal of performance. Such a settlement was, however, unattainable unless the Government was prepared to offer more for a package along these lines than had been envisaged at previous meetings. A package of the size necessary to clinch a deal was set out in the paper before the meeting. The risk in not offering such a deal was not that no settlement would be reached: it was that the local authority employers, who now had a Labour majority, would reach an expensive settlement with the unions which would offer no progress whatsoever towards the Government's objectives. The problems facing the education system would not improve, but would in fact get worse towards the end of the 1980s and in the 1990s when the proportion of the age group needed for the teaching profession was expected to rise to about 20 per cent.

In discussion of the proposals put forward by the Secretary of State for Education and Science the following points emerged:

- (i) There was some doubt as to whether the proposals were sufficiently clear on the system of appraisal which would be introduced. There was some suggestion amongst teachers, for example, that a

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system could not be implemented for 10 years. The Secretary of State for Education and Science was however satisfied that a system could be fully in place in two years.

- (ii) It was already clear that although it was in the interests of the education system to target pay increases on better teachers, the unions would require something for everyone. It was estimated that under the proposals before the meeting between half and two-thirds of teachers would benefit to some degree although major increases would be confined to perhaps a fifth.
- (iii) There was general agreement that head teachers and deputy head teachers together with teachers in shortage subjects, such as maths and science, should receive favourable treatment, although the unions would undoubtedly resist. This should form an essential part of the Government's presentation of its case.
- (iv) It was agreed that as part of any package a sum of £35 million each year to buy out lunchtime duties should be made available. There were however differing views about the sums suggested in the paper before the meeting which would add considerably to the difficulty the Government would face in holding to the agreed public expenditure totals. If major increases in public expenditure were to be contemplated, the Government would need clear assurances that their policy objectives in terms of teachers' duties and teacher appraisal would be achieved.

On the position in Scotland the Secretary of State for Scotland reported that matters were possibly even more serious than in England and Wales. The new term was now less than two weeks away and there was every indication that industrial action would resume at even greater intensity. The patience of parents, which had held up well in the previous school year, could not now be relied upon and there was a danger of a political backlash against the Government. In consultation with the Council of Scottish Local Authorities (COSLA) the Scottish Office had produced a package of measures which the Secretary of State judged sufficient to resolve the dispute and make significant steps towards the Government's objective of improved standards. The package included a redefinition of teachers' duties and a 7½ per cent increase in teachers' required working hours, as well as a salary structure which would reward good classroom teachers. This represented a very considerable prize and would provide an annual total of 100 additional hours from each teacher under the control of the local authority. The cost was considerable at 15 per cent over three years over and above the settlements that would have been reached in the normal negotiating process, but the Secretary of State judged that a substantial offer was needed simply to bring the unions into negotiations.

In discussion of the paper produced by the Secretary of State for Scotland the following points were made:

- (i) There was some doubt as to whether the arrangements for additional payments of some teachers would be made on the basis of performance rather than on long service and course attendance. The latter two were an insufficient guide to quality although in Scotland the Secretary of State had more control over the content and marking of courses than his English counterpart.
- (ii) Even under the package proposed by the Secretary of State Scottish teachers would be contractually obliged to work for only 27½ hours per week in school with a maximum of 23½ hours in class for secondary teachers. Much of the additional 100 hours could also be spent outside school and indeed authorities could close secondary schools for up to 10 days a year to allow for curricular development. Against this it was pointed out that the additional hours envisaged in the proposals would be under the control of the local authority and that teachers would be obliged to undertake the very activities, such as curricular development and parent liaison, which they were refusing at present. Moreover the proposals, while not perfect, were a considerable improvement over the existing arrangements.
- (iii) Although it was recognised that the Scottish teaching unions were refusing to negotiate at all unless a substantial offer was made the package set out in the Secretary of State's paper would represent a very considerable increase in pay, especially since it was in addition to the figures negotiated in the normal way. There would be a knock-on effect both in England and Wales and amongst those groups, such as the Civil Servants, who perceived themselves as not having been well treated. In order to minimise this effect, and in recognition of the fact that the increases would be unequally distributed among teachers, it would be better to present the figures not as a percentage increase, but in global terms and to treat the package for England and Wales in the same way.

In a discussion of the timing of any offer it was noted that one option was to stand firm and make no further offer. Indeed there was a case for giving the teaching unions a choice between accepting the fair terms now available and calling an all out strike, rather than the present industrial action which cost them very little indeed. Against this, however, it was highly unlikely that the employers would cooperate in such a strategy. Moreover, although public opinion was certainly against the teachers' industrial action, it was also in favour of their pay claim. For the Government to be seen to be allowing pupils' education to be disrupted yet again would have an adverse

political effect. Moreover, if the Government did not move there was a danger that the local authorities would reach a highly unsatisfactory settlement with the teachers which would merely compound the problem.

Summing up the discussion the Prime Minister said that the need for some Government initiatives was reluctantly accepted. But the terms of any new offers to the teachers should ensure that, if more money was made available, a proper definition of duties and a proper system of appraisal were actually achieved. There should in addition be favourable treatment for head teachers and deputy head teachers and teachers in shortage subjects. In addition the Secretary of State for Scotland should ensure that his proposals spelled out more clearly the need for good classroom performance before teachers transferred to any special salary scale. The Secretaries of State for Education and Science and Scotland should now consult the Chancellor urgently on the detailed structure of the offers which they were proposing and what additional funds might be made available.

I am sending a copy of this letter to Joan MacNaughton (Lord President's Office), Rachel Lomax (H.M. Treasury), John Graham (Scottish Office), Colin Williams (Welsh Office), Jim Daniell (Northern Ireland Office), John Ballard (Department of the Environment), David Normington (Department of Employment) and Richard Hatfield (Cabinet Office).

Yours ever

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