



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

5 August 1985

Andrew Turnbull Esq
10 Downing Street
London SW1

Proc Minutes :

*Refusing to be press
in teacher + an additional*

Dear Andrew

TEACHERS' PAY

You may like to see the attached briefing note prepared by the Treasury in consultation with DES and Scottish Office officials.

I am copying this letter with attachment to Alan Davis in Department of Environment, Jerry Bird in Department of Education, Edward Gowan in the Scottish Office, Colin Jones in the Welsh Office, and Jim Daniell in the Northern Ireland Office; and to Richard Hatfield in the Cabinet Office.

*Yours sincerely
Tony Kuczys*

A W KUCZYS

TEACHERS' PAY RESTRUCTURING

Background notes for Press Offices

The proposals

In outline, Government prepared to see additional money put into teachers' pay from next year in return for specific changes to improve educational standards. Up to £200 million over and above what would otherwise be spent for 1986-87 rising to up to £450 million for 1989-90 in England and Wales, figures inclusive of mid-day supervision; up to an amount rising to 10 per cent of pay bill (about £50 million) by 1989-90 for Scotland. [For full details ask DES or Scottish Office.]

What would be given in exchange?

Basically, agreement to changes in teachers terms and conditions of service and the pay structure aimed in improving the standards of education throughout the country. Also, of course, return to normal working and cessation of disruption. [Detailed questions: refer to DES and Scottish Office].

Different deals in England and Wales, and in Scotland?

[Sums of money made available in England and Wales as percentage of pay bill slightly different from Scotland; also different changes in terms and conditions.] Yes, agree slightly different proposals. But note England and Wales, and Scotland, have different educational systems.

CONFIDENTIAL | It is very important ^{not} to draw attention to the absence of a 1st year figure for Scotland or to infer that the build-up in Scotland will be any slower than for England and Wales.

What happens if teachers do not agree to deliver programme of improvements and/or continue industrial action?

The money would not be made available.

Any further sums than this likely to be made available?

No. These as the maximum the Government is prepared to see spent.

Effect on public expenditure?

Effects to be taken up in current public expenditure Survey. Government's overall public expenditure objectives and policies remain unchanged.

Is the extra money for 1986-87 in addition to the totals recently provisionally announced for local authority expenditure next year?

Yes. The intention is to provide additional money for teachers' pay as long as a satisfactory agreement providing for improvements in educational standards is reached.

Who will actually pay?

As with the generality of local authority expenditure, partly ratepayer and partly taxpayer.

What about current 1985-86 pay negotiations

Matter between employer and employee. Government repeatedly said that no further central Government money to be made available. Position remains. Equally if 1985-86 deal staged in any way, no additional Central Government money being made available in 1986-87 to meet cost of excess carry-over.

How much is provided for ordinary pay settlements in 1985-86 and 1986-87?

The Government provides an overall amount of money for local authorities in the Rate Support Grant settlement. It for the local authorities to decide how much of that to allocate for pay

Will not the additional money now on offer simply drift into the ordinary pay settlement?

No. Money now on offer specifically in return for changes Government think are worthwhile and in the long-term interests of education in this country. Not for ordinary on-going pay settlements.

Teachers' unions likely to be opposed?

Very foolish if they do not pick up the offer. Opportunity for change in standards of education, with more money for better teachers. Repeat, if conditions not delivered money will not be made available.

If this much cash available, why not give to other public service pay groups - eg civil servants, national health service non-Review Body people, other local Government employees etc?

Money offered in return for specific and important improvements and changes in terms of conditions and service; long-term investment in teaching standards in this country. Not to be seen as a straight pay increase.

Future of Burnham/Scottish teachers' pay negotiation system

Ask DES/Scottish Office as appropriate.