

Prime Minister

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SCOTTISH OFFICE *MUS 19/1*
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CONFIDENTIAL

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

19 April 1983

Dear Geoffrey,

PAY OF FURTHER EDUCATION TEACHERS IN SCOTLAND

I am writing to let you know that, at a meeting of the Scottish Joint Negotiating Committee for Teaching Staff in Further Education (SJNC(FE)) on 15 April, agreement was reached on the main lines of the 1983 pay settlement for lecturers in further education colleges, central institutions and colleges of education in Scotland.

The agreement was for a 4.5 per cent increase for all lecturers, with a further sum equivalent to 0.4 per cent of the local authority paybill for further education (about £250,000) being made available for distribution, mainly among the lower grades of lecturer employed by the local authorities, in a manner still to be determined. A small group, representative of both sides of the SJNC(FE), is looking further into this and will report back to the full SJNC(FE) on 20 May when it is expected that the final details of the settlement will be concluded. The basic 4.5 per cent increase will be paid with May salaries.

I think that this settlement is as good as we could have hoped for in all the circumstances, including the recent offer to the non-industrial Civil Service. It is slightly lower than that for the Scottish school teachers; and it has been found possible to devise a formula which, while preserving the unified pay scales negotiated last year, will virtually keep the pay settlement down to 4.5 per cent in the centrally-funded institutions. There is no doubt, however, that it will present real financial problems for those establishments, where the governing bodies are already working to very tightly-drawn cash limits.

(Indeed, the representatives of the centrally-funded institutions - supported by my officials - had not wished to move beyond 3½ per cent, but were outvoted in the Management Side by the local authority representatives.) I shall of course require the centrally-funded colleges to absorb as much as possible of the cost of the pay increase within existing provision, but to the extent that this proves not to be practicable, I shall have to give further consideration to what can be done. This is a matter at which I am looking urgently.

I am copying this letter to the Prime Minister, the Secretaries of State for Education, Employment, Wales and the Environment and to Sir Robert Armstrong.

Yours ever,

George