

Prime Minister: 2

Minutes for Sir Keith Joseph and Mr Younger (joint) and Mr Jenkin are attached. We have

PRIME MINISTER

29 March 1985

a meeting on this subject on Tuesday but in view of the importance and complexity of the issues you may like to

The conclusion of the Joseph/Younger note, that the Government should stand firm over the 1985 pay rises, must be right. Already, the Executive of the Educational Institute for Scotland is split 12/12 on continuing the action; it is only the Union Delegate Council that is overwhelmingly in favour of continued action. Once the exams are out of the way, the pressure for the union to settle will increase.

glance at the papers over the weekend.

Or

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29/3

There are two other issues:

1. Contractual Obligations

DES estimate that it could take between £50 million and £100 million to provide proper supervisors for school lunches. It would clearly be mad to spend such a sum before finding out whether the courts consider that lunchtime supervision is already part of a teacher's contractual duties. The Solihull and Newcastle Court cases may make this clearer, but the unions will try to avoid discussion of the nature of the contract by framing the case cleverly.

2. A More Flexible Salary Structure

Reform of the salary structure is desperately needed: good classroom teachers become heads or leave the profession because they are paid too little, while mediocre teachers are paid too much. But, at present, the Government's position is weak: it has no power to enforce sensible arrangements;

it has dithered over the provision of new money; and it has not even decided what would constitute an acceptable structure.

The Government needs a clear policy. It should state firmly what kind of structure it wants, and whether there is or is not new money.

There is no point in throwing an extra £200 million into the general pot of Rate Support Grant in return for vague promises. But Keith could introduce new legislation which would:

- amend the Burnham arrangements to allow each LEA to set its own pay scales; and
- give the Secretary of State power to reserve part of the RSG as a specific grant given only to those LEAs that put forward flexible salary scales, in accordance with new criteria that genuinely create better teachers.

Such legislation would, of course, cause a tremendous row; but it would both give Keith a positive propaganda message, and lead to a highly desirable break-up of Burnham.

The extent of the row could be diminished by providing additional money to cover some - or even all - of the specific grant. But this money could not come from the reserve. Keith or other members of the Cabinet would have to find it from their budgets.

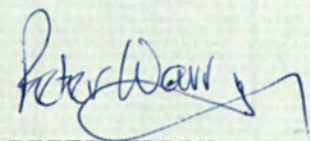
We therefore recommend:

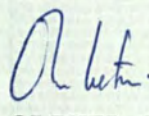
1. that you should hold firm, at least until after the Scottish exams have been held in May;

2. that the DES should instigate early action to test in the courts what exactly is in a teacher's contract before taking any steps to provide lunch-time supervisors;
3. that the meeting should decide:
 - whether restructuring pay will achieve necessary improvements in teacher performance,
 - whether such restructuring requires the scrapping of Burnham,

 - whether any radical change can be achieved without providing additional money,

 - if new money is necessary, how it can be found from existing budgets.


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