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SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

CONFIDENTIAL AND CMO

PRIME MINISTER

26 July 1985

SCOTTISH TEACHERS' PAY AND CONDITIONS OF SERVICE

I am minuting in advance of the meeting on teachers' pay matters which you have arranged for 1 August, to report the outcome of exchanges which I have been having with the Scottish education authorities in an effort to resolve the dispute in Scotland.

You will recall that the general background is that Scotland is at present somewhat ahead of England and Wales in relation to reform of the school curriculum and pupil assessment, including the New Standard grade courses and examinations which are to replace the existing Ordinary grade. This reform is an essential component of the Government's policy of adding relevance to school education and preparing young people for working life, and it constitutes an extremely valuable educational advance. When we met under your chairmanship on 21 May, I said that the method of industrial action which the Scottish teachers had discovered, including a ban on all curriculum development, was proving extremely effective and practically costless to themselves - with the result that our excellent programme of reform could make no real progress. I indicated then that in my view it would be well worth permitting teachers a substantial pay increase if we could thereby secure that curriculum reform went ahead successfully and at the same time achieve acceptance by the teachers of a reasonable definition of their duties.

In order to carry matters forward, I met the Education Committee of the Convention of Scottish Local Authorities (COSLA) on 17 June and put to them, as a basis for discussion,

a possible definition of a teacher's duties. The COSLA representatives felt that this was on very much the right lines, but they were doubtful about the idea of incorporating a definition in any formal contract of employment, essentially because of the danger that in the nature of things it could not be entirely comprehensive and that it might therefore leave loopholes which the teachers could exploit in the future. They suggested instead that the local authority representatives on the Management Side of the Scottish Joint Negotiating Committee for Teaching Staff in School Education (SJNC) should do some detailed work on a possible package of proposals which would incorporate changes that they would like to see in teachers' conditions of service and would take account of the proposed job description. I would be sent the package on a confidential basis; and if I were then able to indicate the level of resources which I would be prepared to make available for such a package, the Management Side would be in a position to go back to the full SJNC in an attempt to make progress towards settling the current dispute. I agreed that this would be a useful approach.

I have now received the Management Side's proposals in the preparation of which there had been some preliminary informal exchanges between local authority officials and mine. The main features of the package, which has as yet received no publicity, are as follows:-

(i) The range and nature of the professional duties which teachers would be expected to carry out are set out in a slightly expanded form of the definition which I had originally proposed. This statement is specifically expressed as underlying the whole package, on the basis that the teachers would be required to accept it as a broad description of what their job entails.

(ii) There is a very valuable re-formulation and expansion of a teacher's contractual working

hours, which effectively brings within management control all non-class contact working time. Moreover - and most important - it provides for an additional annual total of 100 hours within contractual working arrangements, an average of $2\frac{1}{2}$ per working week ie some $7\frac{1}{2}$ per cent additional contractual time) on which education authorities would have first call for such matters as curriculum development, in-service training and parental liaison.

- (iii) It involves a radical revision of the existing salary structure. In place of the present separate scales for primary and secondary teachers and a multiplicity of responsibility allowances, there would be a single spinal column with a basic scale for both primary and secondary teachers and further points for the various promoted costs. I am in no doubt that simplification of this sort is very desirable in principle.
- (iv) A new grade would be introduced to reward the good classroom teacher who either did not wish to be promoted in the normal way or had no realistic chance of promotion because of the lack of vacancies. Such teachers would move to two points beyond the main scale and would earn the equivalent of those on the first rung of promotion. Access to this scale would be carefully restricted to teachers who had gained both substantial classroom experience and an additional professional qualification of diploma status, and admission to the required diploma courses would be selective. (I am satisfied that I would be able to regulate the operation of these arrange-

ments, since the courses involved would largely be run by the colleges of education and thus subject to my approval.)

- (v) As a part of the package, the Management Side would make it a firm condition of any agreement that all industrial action of any kind should cease.

The package thus contains a number of very attractive and positive features from our point of view. It is in my judgement well worth serious consideration.

On the other hand, the package would not be cheap. The Management Side envisage that it would be phased in over a 3-year period and they estimate the overall additional cost of implementation at 15 per cent of the total salary bill (over and above any cost of living pay increases). My officials have not yet had an opportunity of verifying this calculation.

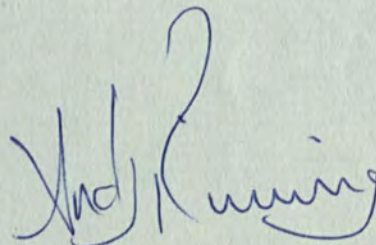
I am acutely aware of the difficulties of a settlement of this order, both for local authority expenditure and for public sector pay generally. But the fact is that the employers, who have not been notably co-operative or sympathetic to our point of view in the earlier stages of the dispute, have reacted responsibly to my initiative and are seeking to deliver us a package of very real value. In my judgement, to reject it out of hand or to put a derisory price on it would bring us no credit at all. The new school session in Scotland is due to start in about 3 weeks' time and the teachers have planned a well publicised programme of continuing disruption. Scottish parents have already endured a year of this and, if we do not take some positive initiative now to get negotiations started, our position will become unacceptable in political terms.

In his minute to you of 12 July Nigel Lawson referred to Press speculation about how much extra money we might be willing to offer to the teachers in 1986/87. He expressed

the view that, if talks did get under way, the employers should be told exactly how much we would be ready to make available and what in broad terms we would expect to see agreed in return. I very much support that line. So far as Scotland is concerned, therefore, I should like to let the employers know now precisely where they will stand with us if they can negotiate a package of the sort which I have described. Time is very short. The negotiations will inevitably be complicated and, if a package is to be agreed by the October deadline which we have set for rate support grant purposes, they will have to start not later than mid-August.

I hope that we can reach a clear decision on 1 August.

Copies of this minute go to the Lord President, the Chancellor of the Exchequer, the Secretaries of State for Education and Science, Wales, the Environment, Employment and Northern Ireland, and to Sir Robert Armstrong.

A handwritten signature in blue ink, appearing to read 'Andy Rinning', with a large, stylized flourish above the name.

G.Y.

(Andy Rinning)
Private Secretary
Approved by the Secretary of State
and signed in his absence

