

CC B/UP



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P 01914

PRIME MINISTER

MISC 122(86)3rd Meeting Item 1
The Teachers Pay Dispute: England and Wales
(To be raised orally)

BACKGROUND

In January talks under the Advisory Conciliation and Arbitration Service (ACAS) resulted in a provisional agreement between the employers and five of the teachers' unions, with three elements:

- (i) A pay increase in respect of April 1985 worth 6.5 per cent in the first year but end-loaded to 8.5 per cent;
- (ii) an end to disruption;
- (iii) the establishment of a three-man independent and impartial panel to assist the management and unions towards agreement on changes in pay, structure, and career progression as part of the future pay settlements.

2. The agreement was subject to ratification on both sides and the latest position is summarised in my separate minute to Mr Norgrove of earlier today.

3. There is no decision to be taken at this meeting. The item has been included to give the Education Secretary an opportunity to bring his colleagues up to date with the latest developments. A further meeting of the Group has been provisionally arranged for Tuesday 4 March, to enable the situation to be reviewed in the light of the NAS/UWT ballot and the meeting of Burnham. We are preparing in the Official Group on Teachers' Pay (MISC 123) a paper on a possible statutory review body which should also be available for that meeting.



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HANDLING

4. You will wish to invite the Education Secretary to give a brief situation report before moving to the main agenda item.

J B UNWIN

17 February 1986
Cabinet Office