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cc B4
✓ B/UP

P 02208

PRIME MINISTER

Teachers' Pay

Misc 122 is to meet at 2.30 pm tomorrow to consider the outcome of the ACAS talks on teachers' pay. You will wish, in the light of a report from Mr Baker (still to be circulated), to decide what response the Government should now make to the provisional agreement between the employers and the unions.

BACKGROUND

2. The employers and the teachers' unions (except the NAS/UWT who wish to consult a special union conference in September) have signed a provisional "Heads of Agreement". On pay it recommends a two year entry scale (at £7,600 and £8,000) followed by a single main professional scale for the majority of teachers ranging from £9,600 to £14,000 as from 1 January 1987 (£14,500 from September 1987). In addition to this there would be two allowances of £750 and £2,000 for "principal teacher posts", to apply to at least 15% of all teachers; and for head teachers the top of the scale would become £29,500 (compared with £26,250 now). The effect of all this is the reverse of the Government's objectives. It would reduce differentials and give the biggest gains to those who have remained on the present scales 1 and 2.

3. DES estimate the total cost of this package over 4 years (ie comparable to the £1.25 billion offered by the Government) would be about £2.4 billion (or £2.9 billion over 5 years). In other words, about twice the cost of the Government's offer.

I am not sure how this fits with para 5 of Mr Baker's minute.

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4. On conditions of service, the provisional agreement does not go very far. There is a useful agreement that the length of the programmeable year should be 195 days (giving 5 days in addition to normal term time for training etc), but other conditions of service details remain to be resolved.

5. In sum, therefore, the agreement so far is bad in terms of cost, its effect on differentials, and incompleteness on conditions of service.

Next Steps

6. DES expect Sir John Wood (the ACAS Panel Chairman) to hold a early press conference to announce the above outcome and the intention of the two sides to do further work on the details. The Burnham Management Panel will then meet on Friday to consider formally their side of the bargain, to be followed by a meeting of the Teachers' Panel. The employers and teachers will then want to come jointly to the Secretary of State to present him with a fuller worked out document. This could take some weeks, and the Chairman of the employers' side, Mr Pearman, is likely to seek an early meeting with Mr Baker in the meantime. There is a possibility that the employers and unions might decide to go it alone and hold a meeting of the full Burnham Committee to make formal recommendations, but DES at present think this unlikely.

MAIN ISSUE

7. The main issue is how the Government should now respond. We discussed a range of options in the Official Group yesterday, of which the main ones may be summarised as follows:-

(i) seek to defer any substantive decisions until the early autumn - preferable until Main has reported at the end of September - while making it clear that the present proposals on structure are unacceptable;

(ii) offer to make the £1.25 billion available on the outcome so far, but make it clear that there will be no more;

why - the conditions have not been met.

(iii) declare that the outcome so far shows that there is no prospect of ACAS coming up with anything acceptable, and set out forthwith the Government's own proposals on pay and conditions;

(iv) make a limited offer for pay increases in 1986-87 only, and announce the intention to replace Burnham by new negotiating arrangements from next April.

8. Option (ii) is clearly out of the question and options (iii) and (iv) would abort ACAS, for which the Government would be widely blamed. The overwhelming consensus in the Official Group was for option (i). Despite the unacceptability of most of what is emerging, Departments thought that it would be wrong to close options now or to take action that would undermine Main. The Government are not in any case ready to announce a replacement mechanism for Burnham (the Main recommendations will be important to this). The objective would, therefore, be to keep the ball in play until Main is available, but at the same time to avoid any impression either that the present package is acceptable to the Government, or that the £1.25 billion would be released unless the conditions attached to it are fully satisfied.

9. If this course is adopted, the line for the Government now to take might therefore be:-

- ✓ - the pay structure so far proposed does not meet the Government's objectives and is unacceptable;
- ✓ - as already stated, the balance of the £1.25 billion will not be released until the conditions attached to it are fully satisfied;

- however, although some progress has been made, the present package is incomplete on conditions of service and the Government will need to see the full details before reaching final decisions; *it is also incomplete - on grounds of teacher's performance*
- the Government will also wish to consider the Main *and an* Report. *approximate pay structure*

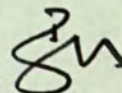
10. Subject to the discussion, and the Education Secretary's report, you may wish to explore whether the Group would agree with a response on the above lines.

FURTHER WORK

11. Following the recent meetings of MISC 122 further work is already in hand by officials on enforceability and on what further temporary arrangements the Government might introduce if necessary in the autumn to give the Secretary of State greater powers to control pay until longer term mechanisms have been devised and the new local government finance system is in place. I am arranging to process this in the official group and to bring it to Ministers in September, when we may know more of the likely outcome of the Main Review in Scotland (at present scheduled to report at the end of September). You may wish to note that this work is in hand.

HANDLING

12. You will wish to ask the Education Secretary to report on the outcome of the ACAS talks and on his view of the line the Government should now take. The Chancellor of the Exchequer will wish to comment on the financial and pay aspects, and other Ministers more generally.



J B UNWIN

29 July 1986
Cabinet Office

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cc B/S
Blup



P 02206

From: J B UNWIN
29 July 1986

~~MR NORGROVE - No 10~~ *MA*

TEACHERS' PAY: ACAS TALKS

You may like to have the attached copy of the agreement signed last night by the employers and five unions in Coventry.

J B UNWIN

Cabinet Office

HEADS OF AGREEMENT

— As signed 00.15 am 29/7/86
jh

DUTIES

1. The basic contractual requirements of the jobs of teachers (including head teachers and deputy head teachers) should be defined in accordance with the ACAS report on duties and responsibilities, and in particular with annexes A, B and C and paragraph 16 of the report.
2. We acknowledge that there are some activities in which teachers engage over and above what can contractually be required. These activities are greatly valued and should be regarded as part of the full professional role. Teachers' salaries should recognise such activities, notwithstanding their non-contractual status. No such additional work should be taken as implied agreement to or modification of, the individual contract, nor should such additional work, however wide-spread among teachers, be taken as implied variation of the terms of the collective agreement.
3. For individual teachers particular responsibilities should be specified through the medium of a job description, which should be in accordance with the contractual duties and responsibilities laid down in the national agreement. Paragraphs 21 and 22 of the ACAS report on duties and responsibilities should govern the administration of job descriptions.

WORKING TIME, NON-CONTACT TIME AND MAXIMUM CLASS SIZES

4. Time at the direction of the head teacher should be stipulated as a maximum both in terms of hours and days/year. The maximum number of days per year shall be 195 days, inclusive of 5 days beyond the pupil year on activities such as in-service training. The maximum number of hours per year will be negotiated between the parties within the next five months.
5. As a matter of urgency the parties will conclude negotiations on cover to take effect from the autumn term, 1986.
6. At the same time the parties will jointly study and seek to conclude (within five months) negotiations on the following matters -
 - (i) a basis upon which and a formula by which non-contact periods in primary schools can be phased in over an agreed timescale;
 - (ii) the periods of non-contact in secondary schools;
 - (iii) maximum class-contact time per week on average in schools; and
 - (iv) the phased introduction of limits on class size for the different types of classes and schools, on the basis that the limits will be applied flexibly enough to allow for the absorption during the academic year of unplanned additions to school rolls and to permit educationally desirable combinations of classes or groups of children.

MID-DAY SUPERVISION

7. Teachers are not obliged to carry out mid-day supervision.

GRADE AND SALARY STRUCTURE

8. With effect from 1st January 1987 the following grade and salary structure will be introduced:

Entry Grade £7600 £8000

(for new entrants on and from 1.1.87)

Main Professional Grade

£9600	£10000	£10400	£10800	£11200
£11600	£12000	£12400	£12800	£13200
£13600	£14000 (£14500 to be introduced as an additional point from 1.9.87)			

Principal Teachers

At least 15% of all teachers* would be classified as principal teachers. Half of the 15% would receive an allowance of £750 and the other half an allowance of £2000. (There will be further negotiations on the total proportion of all teachers* who would be classified as principal teachers and on the distribution of the allowances).

* including heads and deputies.

Heads and Deputies

	<u>Heads</u>	<u>Deputies</u>
Group 1	£15500	
Group 2	£16000	£14750
Group 3	£16500	
Group 4	£17000	£15000
Group 5	£17750	£15375
Group 6	£18750	£15750
Group 7	£19750	£16250
Group 8	£21000	£16750
Group 9	£22250	£17500
Group 10	£23500	£18250
Group 11	£25000	£19000
Group 12	£26500	£19750
Group 13	£28000	£20500
Group 14	£29500	£21250

Note

1. Allocation of heads and deputies to these groups would be at least in accordance with the existing formula.

2. Nevertheless within the overall cost of these proposals the parties may subsequently agree to change the grouping structure.

Assimilation to the new salary levels will be in accordance with the following principles:

1. Heads and deputies will be phased onto the new salaries in four equal stages on 1.1.87, 1.9.87, 1.9.88 and 1.9.89.
2. Other teachers in post at 1.1.87 will be assimilated to the next higher point on the new structure.
3. Additionally all full-time teachers in post at 1.1.87 (including heads and deputies) will receive during January 1987 a once and for all lump sum payment calculated as the difference between (a) £750 and (b) a quarter of the annual increase received by virtue of the assimilation principles set out in 1 and 2 above. For example a teacher presently on an annual salary of £10986 would be assimilated to an annual salary of £11200 on the new structure, and would therefore receive a once and for all lump sum payment of:

$$750 - \frac{(11200 - 10986)}{4} = 696.5$$

ENTRY GRADE ASSESSMENT AND PERFORMANCE APPRAISAL

10. New entrants to teaching will be subject to a 2 year induction during which they will receive the help of a mentor and should undertake a teaching load of no more than (*); in the final year this percentage should increase so that for at least some of the period the full normal MPG teaching load should be undertaken. Progression from the entry grade to main professional grade will be subject to assessment along the lines identified in the reports of the ACAS working parties on structure and appraisal.
11. The ACAS report on appraisal is endorsed, subject to consideration of notes of reservation submitted by some teachers' organisations to ACAS. Concurrently with that consideration the pilot project described in paragraphs 11, 12 and onwards of that report will be launched without delay.

NEGOTIATING MACHINERY

12. Over the next 4 months the unions and the employers will determine new negotiating machinery covering all nationally negotiable issues between employers and unions.

GENERAL

13. The representatives at these talks will take these heads of agreement back to their constituents with a view to gaining approval for officials to draft a detailed agreement which would then be presented to a reconvened meeting of the representatives present at Coventry. There would then be further necessary ratification of the detailed agreement by the parties.
14. The parties hereby express their pleasure at the progress made in reaching these heads

* A limit to be determined by negotiation between the parties.

of agreement which they hope and believe set them irreversibly on the path to their overall objective of achieving a lasting settlement for the schools. They intend to conduct another fundamental review of all aspects (including the relative position of the main professional grade) covered by the present negotiations in 1990 with a view to implementation of any changes in April 1991 and following years. In the interim, salary negotiations would have regard to information presented by the joint secretaries on outside pay movements, price inflation, local authority finances and any other matters thought to be relevant by either side.

15. Other elements in the Employers' paper presented to the meeting on 25th/28th July will need to be included in the detailed agreement. Examples are employers' responsibilities, special schools, and any necessary safeguarding arrangements.
16. In the light of these heads of agreement, there is no dispute between the parties on the matters covered herein.
17. It is acknowledged that the implementation of this agreement is dependent on the Government providing adequate new money to all local education authorities for its implementation.

Signed by:

For the Teachers' Organisations

D McAvoy
Deputy General Secretary NUT

E G Beynon.....
General Secretary AMMA

D M Hart.....
General Secretary NAHT

P Dawson.....
General Secretary PAT

S M Chapman.....
Deputy Secretary SHA

For the Employers

J D Pearman.....
Employers' Chairman

Date... ^{28th} 28th July 1986 c. 00.15 am

Witnessed by:

Sir John Wood.....
Chairman, ACAS Independent Panel

NOTE

This document records heads of agreement reached between employers and teachers. The Government position has been expressly reserved beyond commitments already entered into and on the record.

The Professional Association of Teachers expresses a reservation concerning paragraph 17 on the grounds that implementation of this agreement is dependent upon many factors in addition to the Government providing a share of the necessary resources.

Signed:

Peter Dawson
General Secretary PAT

