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PRIME MINISTER

TEACHERS' PAY AND DUTIES

We must soon decide what we are going to do about teachers' pay and duties, here and in Scotland.

We do not yet have a complete package from the ACAS exercise for England and Wales, although ACAS itself has in practice withdrawn from this process and left it to the Employers and the Unions to negotiate further. We must expect the Labour-led employers to allow the situation to slip further away in the coming months. We know what the pay element of their proposals would cost: we do not know how expensive their expected concessions on such matters as class size and teaching time may prove to be. I shall make the Government's position clear again when I see the local authorities on Friday, and I will report on that.

Our analysis of the options has been carried forward by MISC(122) (86)13. But we cannot decide what to do until we have the Main Report. I believe, however, that we should announce our considered response covering England and Wales and Scotland as soon as possible after receiving that Report.

Our immediate objective must be an end to the dispute on terms which ensure uninterrupted schooling at minimum cost. We need to secure that by Christmas. I think MISC(122)(86)13 makes it clear that we cannot expect successfully to legislate to ensure that LEAs will rigorously enforce contracts. We should exert what pressure we can through financial levers.

I believe therefore that our post-Main attention must be directed urgently to cost, to the conditions we should attach to additional grant and to the mechanisms we should use for distributing additional grant to LEAs. Negotiating machinery will also have to be considered.

We should aim at an announcement which will be complete, explicit and final.

I am sending a copy of this to members of MISC(122) and Sir Robert Armstrong.

KS.

KB
Department of Education and Science

11 September 1986