

PRIME MINISTER

RAISING STANDARDS IN SCHOOLS

1. We spoke briefly about my minute of 21 September. The Chief Secretary and the Secretary of State for the Environment have also commented. There is an urgent need for me to steer the local authority leadership in relation to their work on the teachers' pay structure and conditions of service. I have given further consideration, in the light of these comments, to the guidance I should offer them. This minute explains my position.

2. We all I think agree that pruning weak heads and teachers, more rigorous selection and training of new teachers and heads, and more effective management of teachers are essential if we are to improve school standards. The Chief Secretary recognises, in his 5 October minute to you, the help a revised structure of pay and conditions of service could give towards this end.

3. I have found and brought into use - to make sharply more effective the selection and training of teachers - an existing but unused power to approve initial teacher training courses. I also have the power to grant-aid in-service teacher training and this I am doing now. But for the management of the teacher force, including dismissal where appropriate, I have no power. I can only act through the employers.

4. As you know, the Remuneration of Teachers Act 1965 requires teachers' pay scales, but not their other conditions of service, to be negotiated in the Burnham Committees. I am represented within the management side of Burnham, but not on CLEA/ST, the forum within which the local authorities and the teachers negotiate on other conditions of service.

5. Burnham has for some time been involved in a review of the school teachers' salary structure. The NUT have been deeply suspicious (though the other teacher unions appear more receptive) and progress has been slow. But it is now clear what a more discriminating pay structure, linked with more effective management, might look like.

6. I understand the doubts of you and the Chief Secretary about the extent to which the employers, the staff and the unions will co-operate in making a new system work effectively, especially when it comes to the dismissal of ineffective teachers. I agree with the Chief Secretary about the need for a credible assessment system and hard-headed management. But even the hardest-headed managers need the right tools. We should recognise that while the local authorities have not reduced teacher numbers as much as we think they should, and have not dismissed as many bad teachers as they should, they have made substantial use of the premature retirement tool, thus removing nearly 20,000 teachers over the age of 50 during the last three years, many of them on grounds of efficiency. When we authorised NHS redundancy terms for AFE teachers under the age of 50 we denied the authorities that tool for schools teachers.

7. Many authorities do not at present have systematic information about all their teachers for management purposes, and therefore lack the means of providing proper evidence either for disciplinary action and dismissal on the one hand or reward for merit on the other. Many authorities now recognise their need for such information, including assessments of their teachers' performance made by their inspectors, are ready to use it, and can expect a fair degree of co-operation from the unions with this development as part of an overall package. I believe they should have developed an effective assessment system before now. Be that as it may, now they recognise the need we must help them negotiate a successful outcome.

8. I believe hard benefits are a real possibility, including some dismissals, better rewards for some excellent teachers for teaching (not taking them out of the classroom), and more effective redeployment schemes as secondary rolls fall. Of course we must be satisfied of the reality of the benefits here, as with the Civil Service, before we can decide if the deal is worth a price of any kind. I certainly do not suggest that we should underwrite any increase in the teachers' pay bid at this stage.

9. The leadership of the Burnham Management Panel has recently passed to Philip Merridale, our leader in Hampshire. He will probably lead for long enough to deliver improvements, provided he believes that we will help him negotiate his way to a satisfactory settlement. Moreover he himself is convinced of the need for change.

10. There is strong support among ACC - and AMA - members, for his view that new contracts for school teachers are needed. One reason lies in quality and management considerations. Another lies in concern to bring the responsibility of teachers to supervise pupils throughout the school day, including the mid-day break, explicitly within their contractual duties in the interests of good discipline. At national level contracts are a matter for CLEA/ST, not Burnham. The two sets of negotiations in CLEA/ST and Burnham have therefore to be brought to a climax together.

11. The authorities know that such negotiations will be hard and protracted; that for real improvements in management terms in the pay structure and conditions of service they may have first to face industrial action; and that the negotiations will have to be related at some stage to an annual pay negotiation. Philip Merridale has asked to see me before the end of this month, and I must give him a steer. My concern is to ensure that constructive negotiations move into higher gear. I therefore propose to

assure him of support for these objectives through my officials within Burnham, and by Ministers in public if the authorities come into conflict with the teachers as a result of seeking to negotiate more satisfactory conditions of employment. I propose to tell him clearly that I believe improvements in the teachers' salary structure and contractual responsibilities are of high importance, and that I hope he will be able during his leadership of Burnham to bring forward proposals which the Government will judge as being soundly-based and capable of being made to stick.

12. In the light of the points you put to me in our recent talk, I accept that I should not volunteer any statement about the possibility of extra money to finance a firm and worthwhile deal. If he asked me how the Government would react to such a proposal, I would remind him of the overriding necessity to control public expenditure and bring down the rate of inflation. I could not therefore enter into any financial commitment. Such questions could only be considered when we knew precisely what was on offer, and he should not assume any special treatment for the teachers.

13. Copies of this minute go to the Chancellor of the Exchequer, the Secretaries of State for Northern Ireland, Scotland, Wales, the Environment and Employment, the Chief Secretary to the Treasury, the Minister of State Privy Council Office and Sir Robert Armstrong.

KJ

25 OCTOBER 1983



file RB

10 DOWNING STREET

From the Private Secretary

31 October 1983

RAISING STANDARDS IN SCHOOLS

The Prime Minister has seen your Secretary of State's minute of 25 October. She strongly endorses his objective of improving teaching standards by pruning out weak Heads and teachers. However, this problem needs to be approached in the right way. She feels it would be wrong to pay teachers more for doing what they should be doing anyway and that it would be wrong to offer more money with no guarantee that any improvements would be delivered.

The Prime Minister welcomes the approach set out in your Secretary of State's minute. She is content that Philip Merridale should be authorised to negotiate new contracts for teachers on the understanding that no promises of extra money are made.

I am copying this letter to John Kerr (H.M. Treasury), John Lyon (Northern Ireland Office), John Graham (Scottish Office), Colin Jones (Welsh Office), John Ballard (Department of the Environment), Barnaby Shaw (Department of Employment), John Gieve (Chief Secretary's Office, H.M. Treasury), Mary Brown (Minister of State's Office, Privy Council Office) and Richard Hatfield (Cabinet Office).

ANDREW TURNBULL

Miss Elizabeth Hodkinson,
Department of Education and Science.

RB

①

PRIME MINISTER

Sir Keith's new proposal is a great improvement on his last. I would be surprised if, at the end of the day, the local authorities did not come back for some extra money. But better to start with a firm and deliverable package of improvements than to offer money and see what turns up.

Agree an encouraging Private Secretary letter:

- i) endorsing initiative with Merridale
- ii) confirming that no extra money should be promised?

AS

Yes not

27 October 1983

SECRET

26 October 1983

MR TURNBULL

c Mr Mount

RAISING STANDARDS IN SCHOOLS

Sir Keith Joseph's minute of 25 October proposes:

- to support Philip Merridale in his attempt to change teachers' conditions of service;
- but to offer no hope of special increases in pay.

This plan seems admirable. Ministers can immediately start making speeches in support of Mr Merridale's efforts, so as to persuade the public that proper assessments of teachers' performance etc would be a good thing for education. This will make it difficult (or at any rate embarrassing) for Mr Merridale and his colleagues to abandon the struggle, and will also weaken the teachers' bargaining position. If, in the event, Mr Merridale finds that the teachers still refuse to accept the new conditions without a large pay rise, the Government will be in a position to refuse the rise, on the grounds that these admirable changes would be accepted without compensation by any responsible teaching force. At worst, the local authorities will then give way, and we shall be back where we started; at best, they will stand firm, and the teachers will be faced with a choice between co-operating without bribery or taking unpopular industrial action in defence of the indefensible.

OL.

OLIVER LETWIN

SECRET