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CABINET

THE TEACHERS' PAY DISPUTE IN SCOTLAND

Memorandum by the Secretary of State for Scotland

The Scottish teachers' pay dispute has been running for 19 months with growing levels of disruption, including strike action and boycott of examination duties, in support of the unions' demand for an independent pay review. The current position is described in Annex 1. Strike action this term has built up steadily to the point where it is likely that over half the secondary schools in the country will be on a three-day week on average from now until the end of term. Despite the efforts of the Scottish Examination Board to overcome the effects of the boycott of examination duties there is still a serious shortage of markers and the Board is likely to be unable to make awards in a number of key subjects such as English.

2. I have thoroughly explored the possibility of pursuing in Scotland the kind of settlement which the Advisory, Conciliation and Arbitration Service (ACAS) have arranged in England and Wales - precarious though that may prove to be - and I have to report that this simply cannot be done: the union side in Scotland is dominated by the Educational Institute of Scotland, representing over 80 per cent of teachers, who have refused point blank to contemplate a settlement of the kind agreed for England; and neither the unions nor the local authority employers are prepared to enter into serious negotiations on the basis of the resources currently available - indeed the unions have not even submitted a pay claim for 1985-86.

3. In the light of these difficulties the Ministerial Group on Teachers' Pay (MISC 122) have considered the possibility of setting up an inquiry for Scotland. They are agreed that it would not at present be right to attempt to abort the ACAS-led deal for England and Wales, although they accept that it would be necessary to set up an inquiry for England and Wales if that deal broke down. They have however asked me to put forward to Cabinet a proposal for a separate inquiry for Scotland.

INQUIRY FOR SCOTLAND

4. It is important that any such inquiry should be:

- i. wide-ranging, not merely concerned with pay;
- ii. focused on specific points of concern to the Government;
- iii. capable of extension to England and Wales later if necessary.

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5. I therefore suggest the terms of reference set out below. These are as proposed by Cabinet Office officials and as agreed in MISC 122, subject to minor amendment and further consideration of the asterisked point in item c. I have included in the terms of reference some passages in square brackets which should be omitted from the terms of reference of an inquiry which is to relate to Scotland only (because they would strike Scottish interests as unnecessary or irrelevant) but which should be added in if the inquiry were to be extended to England and Wales. The suggested terms of reference are as follows:

"In the light of the Government's educational objectives [, as set out for England and Wales in "Better Schools",] and the need to reconcile them with public expenditure restraint and the interests of taxpayers and ratepayers, to consider:

- a. the duties, pay structures, pay levels and other conditions of service of schoolteachers, with particular regard to the need to recruit, retain and motivate teachers of the right quality, to address staffing difficulties in shortage areas [such as mathematics and science and in particular localities], and to improve the promotion and career prospects of effective teachers, particularly experienced teachers of proven ability who remain in the classroom;
- b. teachers' duties and responsibilities and their definition in contracts of employment;
- c. the arrangements for managing and financing* schools and the teaching service;
- d. future arrangements for determining teachers' pay and structure, duties, responsibilities and conditions of service [including arrangements for settling these issues together rather than separately];
- e. the mechanisms for implementing and enforcing the above arrangements;

and to make recommendations."

*MISC 122 wish to draw to the Cabinet's attention that it is for consideration whether the words "and financing" should be included in the terms of reference. To do so would allow consideration of some important issues but would also inevitably draw the inquiry's attention to the complex issue of the respective roles of central and local government. My own view is that these words are better left out.

6. Whoever would be appointed as Chairman of a Scottish inquiry would probably have to take over as Chairman of a parallel inquiry for England and Wales if it were later decided to set one up. Suitable candidates are not easy to find, especially since the time commitment will be heavy. My first choice is Sir Donald Maitland (63), a former diplomat who retired as Permanent Secretary at the Department of Energy in 1982; his ability and vigorous personal character would equip him well for this particular task despite his public service background. My second choice is another Scot who has made his career outside Scotland - Sir Peter Main (61), who retired last year as Chairman of The Boots Company Limited. He is very capable and combines experience of medicine and industrial research with the successful management of a larger company. If neither of these were acceptable or available I would be inclined to favour Sir James Munn (65), who was by far the most distinguished headmaster of his generation in Scotland, is Chairman of my Consultative Committee on the Curriculum, was on the University Grants Committee and is proving to be a highly successful Chairman of the Manpower Services Commission (Scotland). He is a person of considerable intellect and common-sense and carries great authority in Scotland and beyond.

7. I suggest that the Chairman should be supported by a panel of four members to cover the Scottish dispute, and I attach a suggested list of names at Annex 3. If the inquiry is extended to England a separate panel of the same size would have to be found. There would also of course have to be a small secretariat whose work would if necessary be extended to cover an inquiry in England and Wales. I should be very happy for the Secretary to be provided from a "neutral" Department with support staff from the Scottish Office.

TIMING OF THE ANNOUNCEMENT

8. The situation in Scotland is seriously deteriorating by the week and I am under enormous pressure to announce a Government initiative to break the deadlock. If the inquiry proposal is agreed I should like to be able to announce the decision forthwith - by means of an oral statement in the House of Commons on the afternoon of Thursday 6 March. I attach a first draft of such a statement at Annex 2.

9. I therefore invite my colleagues to agree:

1. To the setting up of an inquiry, initially restricted to Scotland, with the terms of reference set out above.
2. That the inquiry Chairman should be one of the candidates listed above.
3. That I should announce the decision to set up an inquiry and the terms of reference by means of an oral statement on Thursday 6 March.

M R

Scottish Office

5 March 1986

ANNEX 1

STRIKE ACTION BY TEACHERS IN SCOTLAND

Educational disruption in Scotland has now been going on for nearly 19 months. Since the New Year the scale of EIS strike action has mounted rapidly, as the following figures demonstrate

<u>Week Ending</u>	<u>No of teacher days lost</u>	<u>No of pupil days lost</u>
10 January	1,127	22,244
17 January	639	9,840
24 January	3,487	50,594
31 January	7,451	126,255
7 February	10,122	187,375
14 February	12,542	214,787
21 February	11,967	210,043
28 February	16,856	319,834

The EIS has stated that it intends to concentrate its action on the secondary sector during March - the most critical period of preparation for the national examinations, which begin in the last week in April, not long after the schools resume after the Easter break. There is a likelihood that over half the secondary schools in the country will be on a three day week on average from now until the end of term. Already the number of pupil days lost is more than double what it was during January/February last year.

DRAFT STATEMENT BY SECRETARY OF STATE FOR SCOTLAND ON THE
TEACHERS' PAY DISPUTE IN SCOTLAND

With permission Mr Speaker I should like to make a statement about the teachers' dispute in Scotland.

This dispute has now run for nearly 19 months. The education of pupils is suffering increasing disruption, and continuation of the dispute can do nothing but harm. The Government have made repeated efforts to find an acceptable basis on which teachers and their employers could negotiate a settlement; yet formal negotiations have not even begun.

This situation is unsatisfactory from any point of view. It is also in marked contrast to events in England and Wales, where, as the House will be aware, an agreement for the current year has been reached; and constructive negotiations on pay, pay structure and related matters are about to begin under ACAS auspices. The Government hope that these negotiations will lead to lasting peace and to worthwhile solutions to the problems of the English schools; and my rt hon Friend the Secretary of State for Education and Science will be watching their progress with great care. Meanwhile I very much regret that there is no sign of a similar initiative in Scotland. The statutory negotiating machinery has failed to function and it is therefore necessary to find some means of breaking the deadlock. I therefore propose to set up an independent Committee of Inquiry with wideranging terms of reference in an effort to bring this dispute to an end and establish a basis for the pay, conditions of service and management of the teaching profession in Scotland which is appropriate to the conditions of today.

The inquiry will accordingly be given the following terms of reference:

In the light of the Government's educational objectives and the need to reconcile them with public expenditure restraint and the interests of taxpayers and ratepayers, to consider:

- a. the duties, pay structures, pay levels and other conditions of service of school teachers, with particular regard to the need to recruit, retain and motivate teachers of the right quality, to address staffing difficulties in shortage areas, and to improve the promotion and career prospects of effective teachers, particularly experienced teachers of proven ability who remain in the classroom;
- b. teachers' duties and responsibilities and their definition in contracts of employment;
- c. the arrangements for managing [and financing] schools and the teaching service;
- d. future arrangements for determining teachers' pay and structure, duties, responsibilities and conditions of service;
- e. the mechanisms for implementing and enforcing the above arrangements;

and to make recommendations.

I hope to announce the names of the Chairman and members very soon. The Committee will be asked to begin work as soon as possible and to report by the end of the summer so that its findings can be taken into account in the 1986/87 pay settlement. The Committee will take evidence from all interested parties and will give the teachers in particular the independent hearing which they have asked for since the beginning of the dispute. I therefore expect, and I believe I shall be supported by all

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sides of the House in this, that the teachers' unions will call off their industrial action forthwith and allow the life of the schools to return to normal; and I hope that teachers and employers will meantime agree on a pay settlement for 1985/86 in the normal way while they await the Committee's findings on the wider issues.

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NAMES OF POSSIBLE INQUIRY MEMBERS

In appointing members other than the Chairman I should want if possible to draw on expertise in the following areas:

- i. Local Government administration. There is one candidate here who is ideally qualified, namely Robert Peggie (57) who retires as Chief Executive of Lothian Region at the end of March. He is not only an outstanding administrator who has worked well with the minority Conservative leadership in Lothian; he has been closely involved in the attempts (thwarted by lack of a Conservative majority) to enforce teachers' contracts more vigorously during the dispute.

- ii. Education. It is important that at least one member of the inquiry team should command the confidence of the teaching profession. There is an obvious difficulty here in finding someone who can bring to the inquiry both up-to-date experience of schools and an objective view, but I believe that Sister Maire Gallagher (52) Headteacher of Notre Dame High School Dumbarton would meet that requirement. She is Vice-Chairman of the Consultative Committee on the Curriculum and has made a dedicated contribution to the work of that organisation for several years, being noted for her common sense, balance and devotion to the education service; she is also a singularly effective headteacher of a rather tough school in a difficult area. It would in any case make sense to have at least one woman on an inquiry into a profession which has such a high proportion of women members. Another excellent candidate, who is also my third choice as Chairman, is Sir James Munn (65) a recently retired headteacher who is Chairman of MSC (Scotland) and Chairman of the Consultative Committee on the Curriculum.

- iii. Academics with experience in economic or industrial relations affairs. Here my first choice would be Professor Donald Mackay (48) of Heriot Watt University, now head of PEIDA Consultants. If he is not available I should look to Professor Christopher Blake (59) professor of Applied Economics at Dundee University and now Chairman of the William Low supermarket chain. Both are sound

and likely, in particular, to be sympathetic to our public expenditure policy. I have in mind as reserves Professor Laurence Hunter (51) of Glasgow, a very experienced arbitrator who is currently deputy chairman of the Police Negotiating Board (but now also Vice-Principal of the University, which may make new demands on his time).

- iv. Commerce and Industry. James Gordon (49) the Managing Director of Radio Clyde is very shrewd and energetic. He has privately taken a keen and intelligent interest in the progress of the teachers' dispute and is strongly critical of the teachers' tactics and the weak management response to them. He is a former teacher (and Labour Parliamentary candidate - though I believe he is no longer a Labour supporter). If however he is unable to serve I would propose to approach Bill Hughes (45) Chairman and Chief Executive, Grampian Holdings, Chairman of the CBI Education and Training Committee (Scotland) and a member of MSC (Scotland). He is a knowledgeable enthusiast for our educational policies in Scotland. My reserves would be Allan Blacklaws (61) until recently Group Managing Director for Personnel, Scottish and Newcastle Breweries; and Alexander Soutar (52) who was for 13 years Personnel and Industrial Relations Manager, (Scotland) Rolls Royce Ltd and is now a Director of Inbucon Management Consultants. Both of them have extensive experience of industrial relations and a lively interest in education.