

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

E(80)73  
18 July 1980

COPY NO 56

CABINET

MINISTERIAL COMMITTEE ON ECONOMIC STRATEGY

UNIVERSITY TEACHERS' PAY

Memorandum by the Secretary of State for Education and Science

I seek my colleagues' agreement to the settlement of university teachers' pay as at 1 October 1979.

2. University teachers' pay is negotiated through a two-stage machinery. In Committee A the union (AUT) negotiates with the employing university authorities under an independent Chairman. Agreements reached in Committee A are reported to Committee B, where Committee A, led by their independent Chairman, form one side of the table and my representatives the other. In the event of disagreement in Committee B, there is provision for arbitration "if the two sides so agree (such agreement not to be unreasonably withheld)": arbitral awards are then binding, "subject to the overriding authority of Parliament".

3. In December we made an October 1979 settlement in Committee B on these terms: an interim 10% increase from 1 October and a reference to the Standing Commission on Pay Comparability, designed to settle the full October 1979 pay rates which would then be implemented in two stages on 1 April and 1 October 1980. At that time it was expected that the Standing Commission would complete their work on the reference by about September 1980. In January we settled the 1980-81 cash limit for the universities, incorporating as realistic allowance a further 22% increase (32% in all) in respect of the staged October 1979 settlement and a further 14% increase in respect of other pay and price increases including the October 1980 settlement.

4. In April the Standing Commission made known that they could not promise recommendations in response to the reference, and could not in any case produce them before the summer of 1981. In those circumstances I told Committee A, with my colleagues' agreement, that we would not raise objection to the withdrawal of the reference to the Standing Commission and, instead, negotia-

1.

CONFIDENTIAL

291

74

76

78

80

82

84

86

88

CONFIDENTIAL

CONFIDENTIAL

tion of an October 1979 settlement, phased as already agreed, within the present cash limits. I added that it would be essential that the outcome firmly and finally subsumed all claims up to and including 1 October 1979.

5. Committee A welcomed and adopted this offer. On 19 May they reported their agreement on increases ranging from 17% to 22% and averaging 19.6% (31.6% when compounded with the interim 10%), to be staged to 1 April and 1 October 1980 as previously agreed. Other 1979 "catching-up" figures with which Committee A's 31.6% can fairly be compared are about:

- 39% for doctors and dentists (including university clinical teachers),
- 34%-35% for comparably paid civil servants,
- 32½% for armed forces officers,
- 25% recommended for further education teachers.

Clearly Committee A's figure, which was of course negotiated under the constraint of the cash limit, is within this range.

6. We have not yet responded to these proposals in Committee B because it has been suggested in correspondence that we negotiate to attempt to achieve a lower figure. I continue to believe that both the right course and the politically advantageous one is to agree to them, resolving at the same time however to secure an exemplary settlement at not more than 10% level for October 1980. My reasons are these:

- a. to do otherwise would incur the criticism that we had broken faith with the university teachers and the Vice-Chancellors, while allowing similar and higher 1979 catching-up settlements for other groups: my colleagues will remember the unhappy outcome of the previous Government's action on university teachers' pay in 1975 which poisoned relations with the universities during the following years;
- b. failing agreement on 19.6% in Committee B, the university interests would be likely to propose arbitration: and I find it difficult to see how I could withhold my agreement to it when I invited Committee A to negotiate within the cash limit and they have done so;
- c. the Standing Commission have just presented their final report on university technicians' pay, which will have to be published soon and whose recommendations are binding, recommending October 1979 rates (again, to be introduced by stages) 19½% above those previously in force: though the circumstances of the two cases are not identical, this makes it still more difficult to justify our seeking to force a lower October 1979 increase on the university teachers than Committee A's agreed 19.6% and 2.

CONFIDENTIAL

74

76

78

80

82

84

86

88

CONFIDENTIAL

CONFIDENTIAL

d. so far as concerns setting the tone for new settlements in the latter part of this year and first half of next, a settlement of not more than 10% for October 1980 (which I judge would be much less vulnerable to arbitration because this time the university authorities would probably be on our side) would have greater impact than an unresolved wrangle over 1979.

7. I see every advantage in a quick solution and considerable difficulties if we delay much longer. There is no fear now of our prejudicing the arbitrations on the Burnham teachers' pay since the hearings took place last week and the awards will have been transmitted before Committee B could be brought together. I hope the Committee will agree to my proceeding to an October 1979 settlement as I propose above.

M C

Department of Education and Science  
18 July 1980

74

76

78

80

82

84

86

88

CONFIDENTIAL

CONFIDENTIAL