

MBM

CONFIDENTIAL

R 10/5

PRIME MINISTER

Teachers' Pay

I would like to add one post-script to the advice I gave you on Teachers' Pay which could bear on the route to a settlement (i.e. arbitration or a reference to the Standing Commission).

2. It is simply that we must not forget that Houghton was commissioned when teachers were in a relatively strong bargaining position with shortages in particular specialities. The Houghton Report reflected this climate. But the situation has now changed. Declining school populations, combined with, until recently, a continuing high output of trained teachers, means that we have more trained teachers than we need.

3. In a situation such as this it is natural that the teachers should place great weight on updating Houghton (i.e. indexing): conversely it is in the employers' interest to break the link with Houghton and go for an up to date evaluation of the scale of payments needed to obtain an adequate supply of competent teachers in today's circumstances.

4. It may well be that in practical terms arbitration is the easiest immediate solution. But there would be real advantages if the teachers could be brought to accept a properly conducted study of current realities. This would however require them to accept terms of reference for, say, the Standing Commission of a kind which they have so far been unwilling to contemplate.

*John Hunt*

John Hunt

8th May 1979

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Education



File

cc

Mr. Ryder  
Mr. Wolfson  
Mr. Ridley

10 DOWNING STREET

*From the Private Secretary*

MR. VILE

The Prime Minister has made the following comments on Sir John Hunt's further advice on teachers' pay (his minute of 7 May):-

- i) On paragraph 8, the Prime Minister has commented that - although she appreciates that there are some areas where pay norms have resulted in manpower shortages - there are still others where we are badly overmanned.
- ii) More generally, she has said that there should be no further references to the Standing Commission until Ministers' minds on this question and the Commission's performance, are somewhat clearer.

I expect to commission a paper from the Chancellor on the future of comparability which would be considered by an early meeting of ES; but I have not yet obtained the Prime Minister's clearance for this.

P. LANKESTER

8 May 1979

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SLP