

PREM 19/3793

Confidential Biding

Race Relations

Opposition Motion on an amendment to the Vagrancy Act concerning the "S.U.S." law.

Attached folder: 2nd Report of the Inter-departmental Racial Attacks Group and Commission for Racial Equality Annual Report, 1991/99.

Home Affairs

Pt 1 May 1980

May June

Pt 2 June 1989

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
27.6.89		X					
10.8.89							
10.1.90							
6.2.90							
7.2.90							
16.2.90							
19.2.90							
13.3.90							
4.4.90							
5.4.90							
9.4.90							
2.3.92							
19.5.92							
30.9.92							
11.12.92							

PREM 19/3793

PART 2 ends:-

Home Office to WEC

11.12.92

PART 3 begins:-

MS/DOE to LPS

14.7.93

Published Papers

The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

Home Office – The Response to Racial Attacks: Sustaining the Momentum

The second report of the inter-departmental racial attacks group
Published December 1991

Commission for Racial Equality: Second Review of the Race Relations Act 1976

Published 1991

ISBN 1 85442 090 9

Commission for Racial Equality: Annual Report 1991

Published June 1992

ISBN 1 85442 083 6

Home Office – Race and the Criminal Justice System,
September 1992

ISBN 0 86252 378 4

Home Office – Gender and the Criminal Justice System,
September 1992

ISBN 0 86252 740 6

Signed J. Gray Date 30/8/2017

PREM Records Team



Prime Minister^{2.}

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

To be aware.

W.C.
11/12

11 DEC 1992

Good 4.

Dear William

JOINT STATEMENT FROM LEADERS OF THE HINDU AND MUSLIM
ORGANISATIONS IN GREAT BRITAIN

The Home Secretary and Mr Lloyd met leaders of the Hindu and Muslim communities yesterday to discuss with them recent incidents in this country and to issue a joint statement ... condemning violence and calling for restraint. I enclose a copy for your information.

Yours sincerely

TYSON HEPPLE
Assistant Private Secretary

William Chapman Esq
Private Secretary
10 Downing Street

STATEMENT

"Recent events and loss of life in the Indian Sub-Continent are a cause of deep concern to many people in Britain and touch profound religious feelings.

In Britain, Hindus and Muslims have lived peacefully together for many years. We are appalled that some people are evidently using the present troubles elsewhere as an excuse for attacks on places of worship, businesses and individuals in this country.

We utterly condemn the use of violence wherever it occurs.

We appeal now to everyone in our communities to continue to show the utmost restraint, to resist any suggestion of retaliation and to co-operate fully with the police and other authorities. Restoring calm between our communities is in the best interests of every Muslim and Hindu in Britain."



HOUSE OF COMMONS
LONDON SW1A 0AA

The Prime Minister,
Rt. Hon. John Major M.P.,
10, Downing Street.
LONDON SW1

10th December 1992

Dear John,

I am presently in Edinburgh as Chair of the Standing Conference on Racial Equality in Europe, attending an "alternative summit" made up of black people from all over Europe.

In all we have representatives from 14 countries, and, as you might imagine our deliberations have been dominated by the growth of overt racism in Europe in recent months.

There is a strong view amongst our delegates that we should like to express our concern at the highest level in the course of the Summit proper, and I should like to ask you if you would be able to find an opportunity to allow us to present a formal letter to you as President whilst you are in Edinburgh, in the next day or so. This would take no more than a minute or two I imagine, but I am sure you will understand the importance of this issue.

In view of the shortness of time, I should appreciate an urgent response. My office can be contacted on 081 880 9100.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Bernie Grant'.

pp BERNIE GRANT M.P.

dictated, signed in his absence in Edinburgh.

AA



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

30 September 1992

Thank you for your letter of 25 September enclosing two booklets published under Section 95 of the Criminal Justice Act 1991. They make interesting reading.

WILLIAM CHAPMAN

Miss A.M. Rutherford

da

write only
accs.



HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

25 September 1992

Dear William

(7) (2)
Thank you for your
letter of 25/9 enclosing two
booklets produced under S.95 of
M.C.J. - A 1991.
They make interesting
reading.

SECTION 95 OF THE CRIMINAL JUSTICE ACT 1991

Under the provisions of the section 95 of the above Act the Home Secretary is obliged to publish information each year which will:

- enable persons engaged in the administration of criminal justice to become aware of the financial implications of their decisions; and
- facilitate the performance by such persons of their duty to avoid discriminating against any persons on the grounds of race or gender.

This information is being provided in a set of booklets. The first of those are on race and gender and were published on 24 September. Mr Jack thought you might be interested to see them and I have therefore enclosed copies for your information.

It is intended that the documents on finance will be ready by mid October.

Yours sincerely
Aison Rutherford

MISS A M RUTHERFORD

William Chapman Esq



QUEEN ANNE'S GATE LONDON SW1H 9AT

WJH/7
June 1992

Dear John,

SECTION 11

Many thanks for your positive letter of 30 May on the question of transfer of the education element of section 11 grant.

On further reflection, I am content that we should revisit this issue as part of the general review of the first annual cycle of the new arrangements for administration of the grant.

I also fully endorse the need for the close collaboration between our respective Departments to embrace the kind of major policy issues which you identify in your letter. Our officials will be in touch on these issues and on the arrangements for liaison.

I am copying this letter to the Prime Minister, Michael Portillo, David Hunt and Sir Robin Butler.

KENNETH CLARKE

The Rt Hon John Patten, MP
Department of Education and Science
Sanctuary Building
Great Smith Street
London SW1

~~CONFIDENTIAL~~

cc PO



QUEEN ANNE'S GATE LONDON SW1H 9AT

4 June 1992

D. Mellor,

nbj

SECTION 11, LOCAL GOVERNMENT ACT 1966

- file with WEC.

Thank you for your letter of 31 May (prompted by my correspondence with John Patten about Ministerial responsibilities for administration of the grant under section 11) referring to correspondence prior to the Election between Ken Baker and David Mellor about the rate of grant. I was in fact on the point of writing to you on this matter when your letter reached me.

It was left at the time of the General Election that, as a next step, Ken Baker would consult colleagues on HS. Although the largest proportion of the grant goes to education, funding is made available to a number of other local authority service areas including personal social services, housing, and employment, training and enterprise in which other colleagues have an interest.

I was a copy recipient of the earlier correspondence and wrote to Ken Baker on 4 March, copied to David Mellor, expressing the gravest misgivings about a reduction to either the rate of grant or the size of the overall programme. Since arriving at the Home Office, I have considered the matter further. I have to tell you that this has served only to reinforce my view.

The administration of section 11 grant was the subject of an efficiency scrutiny in 1988. That exercise did not recommend a general reduction in the grant rate. On the contrary, the report served to emphasise the fact that, since grant is paid on only direct staff costs, the Central Government contribution is actually significantly less than it appears at face value (the scrutiny team's researches led them to put it at nearer 50% of the true costs of posts); and that a reduction would carry substantial implications for local government finance and would seriously undermine the future of the grant.

In the wake of the scrutiny, more stringent administrative measures have been introduced. New policy criteria have led to a tighter focus. Local authorities were required to bid afresh for funding from 1992/93. In doing so, they were charged to come forward with clear objectives, and measurable targets by which the effectiveness of projects can be assessed. Projects are subject to regular monitoring to ensure that they are effective.

Michael Portillo Esq, MP.
Chief Secretary
Treasury Chambers
Parliament Street
LONDON S.W.1.

~~CONFIDENTIAL~~

/cont....

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2.

Applications were examined closely, and only those which satisfied the policy and administrative requirements of the application procedure were deemed eligible for grant. Even then, in the light of the PES 1991 settlement, local authorities were required to scale down their eligible education projects by around 15% in order to keep within the cash limit. This necessitated painful decisions by local authorities, and excited a good deal of adverse comment from a variety of quarters.

Against this backdrop, I see a reduction to the grant rate or to the size of the overall programme as inappropriate and, worse, as putting seriously at risk the great value of section 11 grant in integrating members of ethnic minorities into the mainstream of British life, and in furthering the Government's wider interests in raising educational standards and in the regeneration of inner cities. Reduction in funding would create substantial difficulties for the Government in its relations with ethnic minority communities. We should not underestimate the consequences of this.

Colleagues collectively considered the question of the rate of grant in 1989 and concluded that no reduction in rate should be made. I have come to the conclusion that we should stand by this view. I note your position on the question of overall provision for section 11. We will, of course, consider this in the context of the forthcoming Survey.

I am copying this letter to the Prime Minister, John Patten, David Hunt and Sir Robin Butler.

A handwritten signature in black ink, appearing to be 'K. Clarke', written in a cursive style.

KENNETH CLARKE

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CONFIDENTIAL



Capo
nypm
BTP
2/6

Treasury Chambers Parliament Street SW1P 3AG
071-270 3000
Fax 071-270 5456

The Rt Hon Kenneth Clarke QC MP
Secretary of State for the Home Department
Home Office
50 Queen Anne's Gate
London
SW1H 9AT

31 May 1992

Dear Kenneth

SECTION 11 GRANT

He will UETC

I have seen your letter of 19 May to John Patten, responding to his of 14 May on the proposal to transfer the education share of Section 11 resources to the Department for Education.

2. My predecessor wrote to yours on this issue on 2 March. I have nothing to add to what David Mellor said then on the arguments for and against a transfer of responsibilities. But I do wish to emphasise the importance I attach to reducing provision for Section 11 in the forthcoming Survey.

3. Ken Baker agreed in the last Survey to bring forward proposals to cut the rate of grant for Section 11. David Mellor made it clear, both during the Survey and in later correspondence, that he was concerned more with reducing expenditure than with the rate of grant per se. There were, however, presentational advantages in securing reduced expenditure via a cut in the grant rate. The position on this remains as set out in David's letter of 16 March.

4. The need to secure reductions in this area of spending are even more compelling given the position on public expenditure. At our meeting last week we both agreed on the need to control public spending and that difficult choices would have to be made to that end. In these circumstances I look to you to honour your

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predecessor's commitment and bring forward proposals to cut provision on Section 11 by reducing the rate of grant or by other means in the forthcoming Survey. I would, of course, expect John Patten to make the same commitment should the education element of Section 11 be transferred.

5. I am copying this letter to the Prime Minister, David Hunt, John Patten and Sir Robin Butler.

Yours etc

Michael.

MICHAEL PORTILLO



cc PO

SANCTUARY BUILDINGS GREAT SMITH STREET
WESTMINSTER LONDON SW1P 3BT
TELEPHONE 071-925 5000

The Rt Hon JOHN PATTEN MP

POLICY IN CONFIDENCE

John Patten

The Rt Hon Kenneth Clarke QC MP
Secretary of State for the Home Department
50 Queen Anne's Gate
London SW1H 9AT

30 May 1992

John Kenneth

file with ms/woc

SECTION 11


Thank you for your letter of 19 May.

If you and colleagues believe that we do not need to proceed to early implementation of the Manifesto commitment to transfer Section 11 education to my Department, I would not wish to press the matter at this stage. It is, I think, something we should keep under review. As you say, there is already a commitment to review the new arrangements after the current financial year - the first full year of their operation. I see no reason why we should not revisit the question of proper distribution of Ministerial responsibilities at that stage, in the light of experience to date, rather than waiting a further three years.

I welcome your acknowledgement that my Department has a strong interest in the allocation of grant to education projects and I am grateful for your recognition of the very close and positive liaison between our officials and your willingness to examine ways in which these links might be strengthened. I would hope, pending a review, that there could be even closer consultation. In addition to consultation about particular bids I would also expect to be consulted on major policy issues affecting the grant, including in particular the size of the overall programme and the rate at which grant is paid on approved projects. We need to ensure an effective political input: Emily Blatch will lead from here.

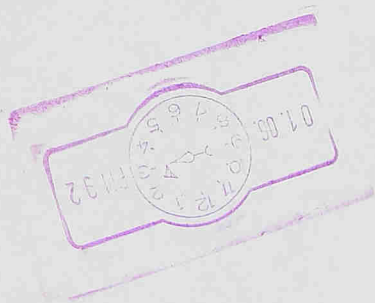


I am copying this letter to the Prime Minister, Michael Portillo,
David Hunt and to Sir Robin Butler.

Yours,


JOHN PATTEN

Home Affairs: Race
Rel's Pt 2





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2. NSPT
BHP
1915.
CPU
QUEEN ANNES GATE LONDON SW1H 9AT

19 May 1992

Dear John.

SECTION 11

will request if required

Thank you for your letter of 14 May. I was in fact on the point of writing to you on the same subject. I have now had the opportunity to consider this issue in the light both of my current responsibilities for race relations matters, and of the practical implications of a transfer - given the stage that we have now reached in the first year of operation of the new improved arrangements for administration of the grant.

As you will recall, these were announced by David Waddington in October 1990 in the wake of the efficiency scrutiny carried out in 1988. You will also recall that the scrutiny resulted in new policy criteria with a tighter focus for the grant. The initial allocation was announced in December and we are now less than two months into the first year of operation of the new project-based arrangements.

The scrutiny report specifically addressed the question of departmental responsibility and concluded that the grant should not be split. The report emphasised the value of a single department retaining overall responsibility for the grant, in the interests of consistency and of allowing flexibility between the types of project to which grant is allocated.

In 1989, colleagues collectively concluded that there should be no change in departmental responsibility, although they recognised the issue as one of a number which ought to be re-visited once the new arrangements for administration of the grant had been implemented and operated.

I have to say that, having regard to my new responsibilities, I regard the case for retaining overall responsibility for the grant in the Home Office as extremely powerful; and I do not think that events since the scrutiny and the 1989 discussion justify departing so quickly from their conclusions.

Having occupied your present office, I fully appreciate the importance of the DES contribution to judgements on the role for section 11 (especially ESL funding) in the wider education context. But there are other factors which weigh heavily in favour of

The Rt Hon John Patten, MP
Sanctuary Buildings
Great Smith Street
London SW1P 3BT

maintaining the status quo. The grant is essentially for the purpose of tackling disadvantage suffered by ethnic minorities as a result of linguistic and cultural barriers. The Home Office is most closely in touch (especially through its community relations consultants) with the needs and views of the ethnic minority communities.

Moreover, I regard the grant as a crucial element of my general responsibilities for tackling racial disadvantage and fostering healthy community relations. The grant also links crucially with the very similar new Ethnic Minority Grant for TECs and with other aspects of race relations policy for which I am responsible - including the Ethnic Minority Business Initiative with which you were closely associated.

I am also worried about some of the potential consequences of fragmenting responsibility for the grant. There is a clear risk that, in the medium-longer term, if the grant were split, its distinctive purpose will become blurred. I take the view that the Department primarily responsible for the main purpose of the grant is best placed to prevent this.

I am concerned that splitting the grant at this stage could lead to a further dispersal of responsibility. There is no obvious logical reason for example why the Welsh Office should not take over their share of the education element; and other Departments might also want to argue that they should take over those parts of the grant which relate to local authority service areas in which they have an interest. The involvement of more Departments would inevitably compound the problems of ensuring consistency in the application of policy and would run even more counter to the Scrutiny's recommendations; and the wider dispersal of the grant would increase the risk of it coming to be seen as simply a marginal addition to mainstream funding. On a similar theme, David Mellor made a telling point in his letter of 2 March to Ken Baker that transfer - even of the education element alone - would run the risk of setting in concrete the current distribution of spending between education and other areas, and thereby of severely limiting the room for manoeuvre in accommodating future changes in policy focus.

We must bear in mind the need, which the Government has recognised, to come forward with legislation at a suitable opportunity to replace section 11 (for example, to sweep away the present restriction of the grant to New Commonwealth people only) and at the same time to put the new Ethnic Minority Grant on a firmer statutory basis. It would clearly be very beneficial when handling the legislation if a single department were in the lead.

Finally, a change in departmental responsibility for the grant would not be without its presentational difficulties. There remains considerable scepticism among ethnic minorities about the

targeting of section 11 funding, and they may well see a transfer of responsibility as evidence of a watering-down of the Government's resolve to prevent the kind of misuse which has occurred in the past.

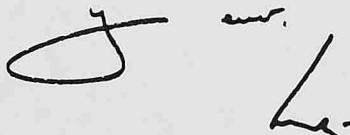
None of the foregoing is intended to detract in any way from the strong interest which your Department has in the allocation of grant to education projects. But, in the final analysis, the grant's primary thrust is enabling ethnic minorities to overcome obvious disadvantage. This is the factor which I think - having now had a chance to see both sides of the argument - has to take precedence. It has led me to conclude that I should retain responsibility for section 11 as a whole.

I entirely recognise, of course, the paramount need to ensure that DES views are taken fully into account in assessing the merits of applications for funding. There is already very close and positive liaison between our officials, and I know that mine greatly appreciate the input made by DES. I am very willing to examine ways in which the links might be strengthened.

I appreciate that there is reference in the Manifesto to the transfer of the education element. I certainly would not want to argue that the present position should not be subject to review in the light of experience of how the new administrative arrangements work in practice. As it is, the conclusion which colleagues collectively reached in 1989 was that the new arrangements should be reviewed after the current financial year - the first full year of their operation. It would be too early then, I think, to revisit the question of the proper distribution of Ministerial responsibilities but given the size and breadth of inter-departmental interest in the programme, I see no problem whatsoever in then having periodic reviews (say) every other 3 years which would review this matter. I think that this would give us a perfectly defensible line to take in the, I think unlikely, event of the Manifesto reference becoming an issue.

I must confess that I cannot now remember how I allowed the Manifesto commitment to slip in, I may have failed to notice it if it was put in at the last moment. Kenneth Baker was very keen and seemed anxious to get rid of most of his Section 11 responsibilities. My letter to him reflected the view that I was beginning to reach as Secretary of State for Education that I was being offered a poisoned chalice. Your officials will recall my views!

I am copying this letter to the Prime Minister, Michael Portillo, David Hunt and to Sir Robin Butler.

A handwritten signature in black ink, appearing to be 'J. Major', with a flourish at the end.

UNCLASSIFIED

NSM
R/S

CCP



Treasury Chambers, Parliament Street SW1P 3AG

071-270 3000

Fax 071-270 5456

The Rt Hon Kenneth Baker MP
Secretary of State for the Home Department
Home Office
50 Queen Anne's Gate
London
SW1H 9AT

2 March 1992

Ken

**SECTION 11: DEPARTMENTAL RESPONSIBILITY
FOR EDUCATION ELEMENT**

I have seen your letter of 4 February to Kenneth Clarke agreeing with Ken's proposal to transfer responsibility for Section 11 funding for educational projects to the Department of Education and Science (DES).

2. These are, of course, matters for the Prime Minister. But I have an interest in securing arrangements which promote the best value for money, and in the financial implications of any transfer.

3. The argument for a transfer is a simple one which was broadly accepted by my predecessors. By bringing the experts in education and the funding for Section 11 education projects together, policy and spending would be under one roof. This should result in improved value for money via better targeting and greater understanding.

4. However, an argument could be made that this ignores the purpose of Section 11, which is to help reduce racial disadvantage. This can be done in a number of ways, of which education is but one, even if currently the most important. Transferring responsibility for education runs the danger of blurring overall responsibility and the thrust of policy, a point you hint at in your reference to "presentational difficulties".

5. It could also be said to run the risk of freezing the current distribution of spending between education and other areas. This danger was recognised when the transfer question was last

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considered. Any division of public expenditure responsibility would need to allow for changes in policy focus. Further thought may be required here.

6. My main concerns are on the resource implications. Ken's letter of 10 February seeks manpower as well as PES transfers. It is not clear how this can be readily done if your department is to retain overall responsibility for policy and for funding all but educational projects. While it appears the transfer would not be resource neutral, neither you nor Ken have provided any assurances on finding any additional costs from agreed resources. I look to you to do so should a transfer take place.

7. More fundamentally there is the matter of our Survey agreement. You agreed to bring forward proposals to change the rate of grant in the next Survey. Ken appears to believe this is a matter for collective decision. He wishes to run the education side with a 75 per cent grant rate. Not surprisingly, I wish to see our agreement honoured. I would therefore require the same commitments from Ken, if he is to take over education, as I do from you (see my letter of 3 February): reductions in the rate of grant or compensating offsets in provision.

8. Subject to your and Ken's agreement on this, I would not wish to object to a transfer of responsibilities should the Prime Minister so decide.

9. Copies of this letter go to the Prime Minister, Ken Clarke and Sir Robin Butler.

A handwritten signature in black ink, appearing to read 'David Mellor', is written over a faint circular stamp or watermark.

DAVID MELLOR



n.s.m.
- policy change agreed
SHP 19/2
C. P. J.
QUEEN ANNE'S GATE LONDON SW1H 9AT

18 February 1992

Jim Kerr

SECTION 11 GRANT

at final
Thank you for your letter of 10 February about the proposed transfer of responsibility for the education element of section 11.

I confirm that I accept that the transfer of responsibility will entail the transfer of PES provision for manpower running costs associated with the administration of this element of section 11 as well as for this part of the grant. I would, of course, need to retain sufficient provision to meet the costs of administering the remainder of section 11 grant and also the Ethnic Minority Grant.

As you indicated, our officials are in touch to discuss the details of this and other points arising.

I am copying this letter to the **Prime Minister**, Norman Lamont, David Mellor and Sir Robin Butler.

Norman

Clarke

The Rt Hon Kenneth Clarke, QC., MP.
Department of Education & Science
Sanctuary Buildings
Great Smith Street
LONDON S.W.1.

Home Affairs. Race
Rel. 172



172



cf / M Bu
30/3
WCC
19/3.

cc PM

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Kenneth Baker MP
Secretary of State for the Home Department
Home Office
Queen Anne's Gate
London
SW1 9AT

12 February 1992

Dear Kenneth,

GOVERNMENT ACTION ON RACIAL DISCRIMINATION

with we/ma
You wrote to the Prime Minister on 12 December outlining your plans to publish a paper on action taken by the Government to tackle racial discrimination and racial disadvantage. Like you I feel we have a good story to tell and your paper provides the opportunity to record the substantial achievements throughout Government in ensuring that the rights of ethnic minority groups are protected and opportunity to participate fully in the life of the United Kingdom is encouraged.

We have made significant progress in Scotland and the attached contribution to your paper (top copy only) highlights the separate but complementary initiatives we have implemented here.

I am sending a copy of this letter to the Prime Minister, Norman Lamont, Michael Heseltine, Michael Howard, Tim Renton, William Waldegrave, Peter Lilley, Tony Newton, David Hunt, Peter Brooke and Sir Robin Butler.

Yours ever,
lan

IAN LANG

PAPER ON GOVERNMENT ACTION ON RACIAL DISCRIMINATION

The initiatives described earlier in this document largely describe achievements in reducing racial disadvantage and in the promotion of equal opportunity in England and Wales and throughout the United Kingdom as a whole. The size, make up and distribution pattern of ethnic minority communities in Scotland is different from the rest of the country. Census information backed by a Government funded survey into the circumstances of Scotland's ethnic minority communities indicates that around half of Scotland's ethnic minority community describe themselves as coming from Pakistan, just under 30% said India and almost 20% were Chinese, mainly from Hong Kong. The ethnic minority communities which total around one percent of the Scottish population compared to over 4% in England and Wales are fairly evenly spread throughout the country with the largest concentration in Strathclyde and Lothian.

To reflect these differences and the different legislative framework in Scotland complementary but separate measures have been taken or are planned which address the problems faced by ethnic minority communities in Scotland.

Survey - "Ethnic Minorities in Scotland"

The Scottish Office Industry Department commissioned a research project into the circumstances of Scotland's principal ethnic minority groups. The results of the research which were published in June 1991 gave, for the first time to policy makers and service providers, a broad and reliable base as a key tool in policy planning and development. Topics covered by the research included housing, employment, financial support, education and language, health service provision, leisure and experience of crime. Copies of the report are available from The Scottish Office.

Funding

There is a number of sources of funding available within Scotland for the promotion of the reduction of racial disadvantage and equal opportunities:

- over £4m is included within Grant Aided Expenditure for the provision of extra teachers in areas with high concentrations of

ethnic minorities thus ensuring that those areas receive higher levels of support through Aggregate External Finance;

- in 1991/92 over £300,000 has been provided to ethnic minority projects via the Urban Programme administered by The Scottish Office Industry Department;
- more than £67,000 in 1991-92 was provided to voluntary organisations from the Social Work Services Group of The Scottish Office Home and Health Department;
- The Scottish Office Education Department provides £27,000 per year to Moray House College to fund a post to promote multi-cultural and anti-racist education in Scotland;
- a new Ethnic Minority Grant amounting to £100,000 per annum has been established to assist voluntary organisations which operate on a regional or national basis within Scotland.

In addition the VSU (in the Home Office) continues to assist voluntary organisations in Scotland and in 1991 the Scottish Council for Voluntary Organisations secured a grant of £20,000 per annum to promote awareness of ethnic minority issues within the voluntary sector in Scotland.

Education

There is no difference between Scotland and the rest of the country in the philosophy of the delivery of education to ethnic minorities. As in England and Wales it is for education authorities (Regional and Islands Councils) to determine how best to respond to local needs and circumstances and ensure that ethnic minority pupils receive the same opportunities as all other children.

The needs and aspirations of Scotland's ethnic minority community are recognised throughout the education system in Scotland. Guidance issued by The Scottish Consultative Council on the Curriculum, the Secretary of State's principal advisory body on curricular matters, encourages schools to promote through the curriculum understanding between individuals of different ethnic and cultural origins. The guidance stresses that mutual

understanding is relevant to all schools in Scotland whether or not they have pupils from ethnic minority backgrounds.

More specifically:

- a consultation paper has been issued on the teaching of religious and moral education, recognised as a discrete curricular area within the 5-14 Development Programme. This recognises the place of religions other than Christianity and emphasises the need for separate traditions to respect one another. For example, in the 5-14 Development Programme, guidelines specifically ask schools to pay attention to cultural heritage and diversity where appropriate and guidance is provided on multi-cultural education as a cross-curricular issue;
- a circular issued in 1991 gives guidance to education authorities on the teaching of religious education and observance. This ensures that all pupils are provided with a broad based curriculum. It gives a central place to Christianity as the main religious faiths of Scotland but introduces pupils to other faiths in a manner sensitive to the view of members of these faiths and encourages schools to organise special acts of observance for other religions where appropriate. There is scope within religious studies programmes for studies of religions other than Christianity eg the SEB short course 'Living in a Plural Society' which allows for the investigation of a religion other than Christianity;
- a circular issued in 1989 gave guidance on the teaching of language other than English. This states that Asian languages would be used in the early primary years as a bridge to competence in English; and that Asian languages and the traditions they represent should be respected and fostered where demand exists and can be met Asian languages can be offered in secondary school;
- Urdu, Cantonese and Pujabi are offered from S3 as certificate courses in 3 Glasgow schools.

HM Inspectorate offer comment on the ethos of schools and, where appropriate, pay attention to special forms of provision for groups such as ethnic minorities. Liaison with parents and the community is an important focus in all inspections and will become increasingly so as the Parents' Charter takes effect. HM Inspectorate also monitor how well educational establishments responded to national or local guidelines on multi-cultural and anti-racist education.

A Code of Practice on Education in Scotland was produced in 1991 by the Commission for Racial Equality. The Minister for Education in Scotland provided a foreword to the Code.

In further education (and to an extent in school education) the Scottish Vocational Education Council provides National Certificate modules on the main Asian and Chinese languages and on English for speakers of other languages. Additionally, there are modules on social science and history which provide for an ethnic emphasis and there are modules on ethnic dance. Other recent initiatives which assist members of the ethnic minority communities to gain access to vocational education and training include modular provision, accreditation of work based learning/prior learning, growth of outreach provision and the general move towards competence based qualifications. A basic design feature of SCOTVEC's Scottish Vocational Qualifications, which should cover 80% of the Scottish working population by 31 December 1992, is that they should exclude discriminatory practices and be free from artificial barriers which restrict access.

A significant new development is a clause contained in the Further Education and Higher (Scotland) Bill presently before Parliament which gives the Secretary of State for Scotland a duty to secure adequate and efficient provision of programmes of learning, for persons over school age, which are designed to assist persons whose first language is not English, to achieve any level of competence. The Bill is designed to make further education colleges more responsive to the needs of local communities including ethnic minorities.

The Scottish Wider Access Programme (SWAP) is aimed at increasing participation in higher education by under-represented groups. In association with local employers, SWAP is developing a pilot scheme to

improve learning and job opportunities for ethnic minorities. Under the scheme it is intended to develop a series of study programmes in identified skill shortage subject areas. The programmes will be offered in a local further education college; will be delivered initially in both English and the languages of the minority communities; will lead to nationally recognised vocational qualifications; and, with employer involvement, it is hoped that the study programmes will lead directly to employment opportunities in addition to access to advanced qualifications in further and higher education.

SWAP has successfully developed and implemented a range of programmes leading to entry to higher education for students who do not possess the traditionally recognised entry qualifications. Around 1,600 students have enrolled on access programmes in the current year alone. Course completion rates and student characteristics, including first language, are closely monitored by the SOED so as to identify emerging trends by particular groups. This work will assist decision-making in the further development of wider access. The SOED are also considering the collection of data on ethnic origin of students now entering polytechnics and other higher education colleges to complement the initiative taken by the Universities' Statistical Record.

An increasing number of higher education institutions run Summer Schools which offer particular opportunities for disadvantaged groups including ethnic minorities, and at least one Scottish University is seeking to appoint a Development Officer specifically to attract more students from ethnic minorities.

Housing

In housing Scottish Office Ministers welcomed the publication of the Commission for Racial Equality's Code of Practice on rented housing which was issued in 1991 and commended its recommendations to local authorities and Scottish Homes. A similar Code of Practice on non-rented housing is due to be issued in 1992. The Tenant's Charter published in December 1991 sets out the rights of public sector tenants in Scotland and emphasises that landlords should pay attention to the views of all tenants, including those from ethnic minorities. The needs of ethnic minorities will be taken into account in a series of notes on good practice in housing

management which The Scottish Office Environment Department plans to issue to local authorities from Summer 1992 onwards. The Department has also recently asked the Committee of Scottish Clearing Banks and the Building Societies Association to ask their members to review their lending practices to ensure that ethnic minority communities in Scotland are not being disadvantaged.

Health

The survey "Ethnic Minorities in Scotland" highlighted that the main problems facing ethnic minorities in the health sector were related to language difficulties. As a result of these findings The Scottish Office Home and Health Department wrote to health boards in Scotland to seek their views on difficulties in providing adequate access to health services for ethnic minority populations and steps that had been taken or were in hand locally to resolve these difficulties. The Joint Working Group on Health Care is following this up, and is considering the scope for initiatives at a national level to ensure that ethnic minorities are not disadvantaged in their access to health care.

Research

The Scottish Office has been and continues to be actively promoting research projects which establish a clear picture of life in Scotland for members of ethnic minority communities. Work has been commissioned or has been planned which:

- will consider the relative incidence of reporting and non-reporting of crime by both ethnic minority and white victims and will identify and investigate factors which are important in the decision making process and compare the expectations, experience and attitudes of both groups to the criminal justice system in Scotland;
- will investigate the operation of the home improvement repair grant system which will reflect the findings of the report "Ethnic Minorities in Scotland";

- will take views of ethnic minority families in a project which is looking at the behaviour of anti-social tenants.

Police

Following publication of the Interdepartmental Racial Attacks Group the Police Advisory Board reviewed police relationships with ethnic minority communities in Scotland. The police forces in Scotland take this issue very seriously and a great deal of effort has been made to develop the good relationships that exist. A circular on equal opportunities within the Scottish police service will be issued soon which encourages chief constables to adopt written statements of equal opportunities employment policies in their forces. The circular also provides guidance on implementation, monitoring and training for equal opportunities and emphasises the need to ensure that officers and staff are not discriminated against on, amongst other grounds, race.

Prisons

In 1988 Ministers asked HM Chief Inspector of Prisons to examine conditions of custody for members of ethnic minorities in penal establishments. The Report which was published in July 1989 made 6 formal recommendations and 15 suggested points for action which have been or are in the process of being implemented. A race relations policy statement will be issued to all prisons in the near future which emphasises the commitment of Scottish Ministers to racial equality and the elimination of discrimination in the prison service. The training to be offered to prison staff at the Scottish Prison Service College is being designed by the Scottish Ethnic Minorities Research Unit. Prison establishments are also being encouraged to develop closer links with local racial equality councils.

With effect from 1 April 1992 the Scottish Prison Service will be introducing an Equal Opportunities Policy into Establishments. This will mean, for example, that a more active recruitment campaign will be established to encourage ethnic minorities to apply to join the Service. The introduction of Equal Opportunities Officers, who will receive appropriate training, will also mean that staff in all Establishments will

have a greater awareness of the needs of the ethnic minorities who may be recruited in future.



n5977
PHH
18/2

Ref. A092/375

MR TURNBULL

Section 11 Education Grant

WITH AT?

I have seen a copy of the Home Secretary's letter of 4 February to the Secretary of State for Education and Science attached to which was Mr Clarke's letter of 23 December to Mr Baker.

2. Mr Clarke's proposal that responsibility for the education element of section 11 grant should be transferred from the Home Secretary to DES is an old chestnut but has much to commend it. It should reduce the administrative costs of allocating that part of the grant which currently involves both the Home Office and DES. The education element is of the order of 80% of all section 11 funding.

3. The argument on the other side is that a transfer could potentially reduce the Government's flexibility in using the grant by locking in the major part to education. Together with the previous Prime Minister's reluctance to entrust this sort of policy to DES, this was one of the reasons why a similar proposal was not proceeded with in 1990. It was, however, recognised then that Ministerial responsibility might be reconsidered in October 1992 when new arrangements should have been running for a year.

4. So formally further consideration of the arrangements now is premature. A further factor is Mr Heseltine's ideas for the delivery of Government policies in the inner cities. These aim to increase rather than reduce flexibility in the use of Government funding. A substantial part of section 11 funding goes to people in the inner cities.

5. However, there is no need for the Prime Minister to respond to the Home Secretary's proposal before the Education Secretary, the Chancellor and other members of HS have commented. He may not wish to give his approval to the proposal until there has been an opportunity to relate it to the Environment Secretary's ideas on the development of regional and urban policy. For this reason, the Home Secretary's and Education Secretary's hope of announcing a transfer before the General Election may in practice turn out to be ambitious.

F.R.B.

ROBIN BUTLER

10 February 1992



SANCTUARY BUILDINGS GREAT SMITH STREET
WESTMINSTER LONDON SW1P 3BT
TELEPHONE 071-925 5000

The Rt Hon KENNETH CLARKE QC MP

The Rt Hon Kenneth Baker MP
Home Secretary
Home Office
Queen Anne's Gate
London SW1

Dear Ken,

*with BP request
will request
required*

10 FEB 1992

SECTION 11 EDUCATION GRANT

Thank you for your letter of 4 February in reply to mine of 23 December last year.

I find no difficulty in what you say about the essential purpose of the grant and its targeting; as you will know the policy statement on education which was earlier agreed by HS in the context of the new arrangements already sets out clearly that the Government's aim for Section 11 funding in education is that it should be used to remove barriers for educational opportunity for ethnic minority groups, where mainstream programmes alone are not sufficient to remove those barriers. Nor would there be any problem about keeping your officials in touch about our operation of the grant.

But my earlier letter made clear that if I am to become responsible for the education part of the grant, I would need a manpower as well as a financial PES transfer, and before we proceed any further I should be very grateful if you would confirm that you accept that.

As to the rate of grant in future, I have seen your correspondence with the Chief Secretary about the Home Office settlement in PES 1991, and I entirely endorse what you have said therein, that any change in the rate of grant must be a matter for collective discussion in HS and cannot be regarded as having been dealt with as part of last year's PES settlement between the Home Office and the Treasury. That is the more important if a substantial element of the grant is to be transferred to me: my earlier letter was written on the assumption that grant would continue at 75 per cent.

Perhaps our officials should discuss all this further, at the meeting to which I understand yours have already invited mine later this week, and report back to us both? Meantime I am grateful for the consideration you have given to my proposal.

I am sending copies of this letter to the Prime Minister and the other recipients of yours, with a copy also to David Mellor.

A handwritten signature in cursive script, appearing to read 'Kenneth Clarke', with a small 'aw.' above the second name.

KENNETH CLARKE

POLICY IN CONFIDENCE
RESTRICTED HANDLING REQUIREMENTS



FROM: CHIEF SECRETARY
DATE: 20 January 1992

PRIME MINISTER

GOVERNMENT ACTION ON RACIAL DISCRIMINATION

I have seen Kenneth Baker's minute to you of ~~12~~ December proposing that a paper be published on the steps taken over recent years to tackle racial discrimination. I have also seen Michael Howard's minute of 23 December and Tim Renton's letter of ~~13~~ January supporting these proposals. *with MD/WGC?*
attach

2. I am prepared to accept that, as Kenneth says, we have a good story to tell. And there may be some merit in bringing this out in a published document. But there could also be drawbacks, in particular the danger of raising expectations of further initiatives and additional expenditure which we might later find hard to resist as a consequence of publishing the proposed paper.

3. This danger should be minimised if the paper focused narrowly on existing policies and programmes as Kenneth suggests. But even then there is a danger of raising expectations that various initiatives, if seen to be successful, will be expanded and more widely applied.

4. There is a further difficulty insofar as publication may run the risk of closing off options for future policy changes. Kenneth and I discussed the future of Section 11 grants in our bilaterals, and he agreed to bring forward proposals in due course. This is a substantial area of spending and I would not wish to see our hands tied in any way by what might be said in a published paper.

POLICY IN CONFIDENCE
RESTRICTED HANDLING REQUIREMENTS

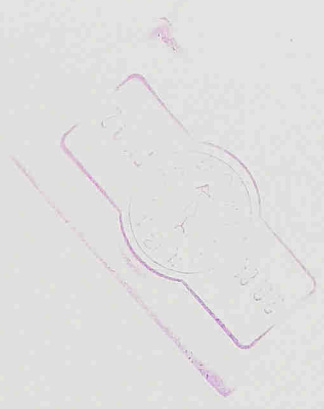
5. So I think we need to be very clear on what we expect to gain from such a publication before going ahead. And if we do proceed, we would need to ensure that the paper is drafted in such a way that expectations are indeed minimised and any options are left open: I would be grateful if in this case my officials could be closely involved in the drafting.

6. Copies of this minute go to Kenneth Baker, Michael Heseltine, Michael Howard, Kenneth Clarke, Tony Newton, Peter Lilley, William Waldegrave, Ian Lang, David Hunt, Peter Brooke, Tim Renton and Sir Robin Butler. I would be grateful if circulation of this minute within departments could be kept to a minimum.

Justin Wray

DAVID MELLOR

*[approved by the Chief Secretary
and signed in his absence]*



ccps


CABINET OFFICE
OFFICE of the MINISTER
for the CIVIL SERVICE

THE RT HON TIM RENTON MP
The Minister of State
Privy Council Office

Horse Guards Road
London SW1P 3AL
Telephone: 071-270 5929

C92/90

The Rt Hon Kenneth Baker MP
Secretary of State for the Home Department
Home Office
50 Queen Anne's Gate
LONDON
SW1H 9AT

15 January 1992

Dear Kenneth,

*Yes pls requested
chris 1/11*

GOVERNMENT ACTION ON RACIAL DISCRIMINATION

- will request if req'd

I am replying to your minute of 12 December outlining your proposal to publish a paper on the action taken by the Government in recent years to tackle racial discrimination.

Such a paper would certainly draw attention to the Government's commitment and its record in the area of race relations. It would also serve to demonstrate our willingness to lead by example, through employment practices in the Civil Service; a point made by the Prime Minister in his speech at the Windsor Fellowship Graduation Ceremony last September.

I think that the paper could usefully include the positive steps taken to increase equality of opportunity and ensure that people from ethnic minority backgrounds are able to play their full part as citizens. If this is to be the case then it would be appropriate for the paper to include action relating to the public appointments system as well as to the Civil Service as an employer.

On the employment side, my department published in 1990 a service-wide programme for action on equal opportunities for people of ethnic minority origin. We have recently published a report of progress in the first year which shows that departments and agencies have made a good start. There have been considerable improvements in policies and procedures with some increase in ethnic minority representation-overall and at senior levels. A copy of each ... of these documents is enclosed.

In the case of public appointments, the Prime Minister recently minuted all Ministers in charge of departments about the scope for an increase in the representation on public bodies of people from ethnic minority backgrounds. The report could refer to the Government's drive to see an increase in the number of such people holding public appointments. Mention could also be made of the decision which we have taken to introduce ethnic monitoring of all public appointees and our intention to publish the statistics at the end of 1992.

My department would be willing to provide further information on these areas for the report.

I am copying this letter to the Prime Minister, Norman Lamont, Michael Heseltine, Michael Howard, William Waldegrave, Peter Lilley, Tony Newton, Ian Lang, David Hunt, Peter Brooke and Sir Robin Butler.

Yours

Tim

TIM RENTON



em. PM



CCP

PRIME MINISTER

GOVERNMENT ACTION ON RACIAL DISCRIMINATION

Kenneth Baker copied to me his minute of ~~12~~ ^{WITH WGC.} December setting out his proposal to publish a paper on Government action on race relations and anti discrimination policy. I agree with Kenneth that we have a good story to tell. The publication of a paper on this topic would provide clear evidence of the progress we have made, and underline the Government's commitment and action to promote equality of opportunity for all.

The paper would encourage the development of equal opportunities and would help to draw together the many initiatives dealing with race relations matters. It could serve to encourage those employers who are not already operating equal opportunities policies and practices, by reminding them of the benefits they can gain by attracting and utilising fully the skills and potential of ethnic minority people. It would also provide an opportunity to show that legislation is not always the best way forward in this area.

I welcome the opportunity for my Department to contribute to the paper. We are presently considering a strategy for the promotion of equal opportunity issues in employment, which includes the development of a guidance pack on a Ten Point Plan for Equal Opportunities which I have encouraged employers to adopt. This is an action plan for employers to make equal opportunities a natural and integral part of their management practices. The paper would provide a further means of publicising the Plan.

I am copying this minute to Kenneth Baker, Norman Lamont, Michael Heseltine, William Waldegrave, Peter Lilley, Tony Newton, Ian Lang, David Hunt, Peter Brooke, Tim Renton and Sir Robin Butler.

Malcolm Waring

MH

23rd December 1991

[Approved by the Secretary of State
and signed in his absence]

CONFIDENTIAL

cc 10



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A2AT

19 December 1991

Kenneth

GOVERNMENT ACTION ON RACIAL DISCRIMINATION

I have seen a copy of your minute of 12 December to the Prime Minister proposing the publication of a paper outlining the action which the Government have taken in recent years to tackle racial discrimination. *with wec?*

I think that the idea has much to commend it, and, in advance of seeing a draft, my comments at this stage relate only to my particular interest as Chairman of GEN 22, the Ministerial Group on Asylum. I doubt whether it will be possible to avoid some reference in the paper to our policies on asylum, one of the justifications for which is the avoidance of damage to the good race relations we have already established. Also, some of the groups at which the paper will be aimed are those currently criticising our asylum policy, and it will be important to take account of that in considering the timing and manner of presentation of the paper, if it proceeds.

I am copying this to the Prime Minister, Norman Lamont, Michael Heseltine, Michael Howard, William Waldegrave, Peter Lilley, Tony Newton, Ian Lang, David Hunt, Peter Brooke, Tim Renton and Sir Robin Butler.

Yours truly
[Signature]

WADDINGTON

The Rt Hon Kenneth Baker, MP

CONFIDENTIAL



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

16 December 1991

Many thanks for your letter of 12 December following up the Prime Minister's exchange with Ken Livingstone in the House last week. The Prime Minister was grateful for this information.

DOMINIC MORRIS

Colin Walters, Esq.,
Home Office.

CONFIDENTIAL

*File to
a / Parry /
Livingstone*

RW

13/12



CONFIDENTIAL

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

12 December 1991

Prime Minister
In view of X, agree
no need to follow up your
exchange with Livingstone any further?

Dear Dominic

Dominic 13/12

Ken Livingstone raised with the Prime Minister this afternoon the question of the British National Party bookshop in Welling, Kent. This has been linked by the media with a certain amount of racial trouble which occurred in Thamesmead nearby earlier this year.

The Home Secretary would like the Prime Minister to know that he visited Thamesmead a few days ago to assess the situation there. He discovered that there is not, in fact, a particularly high level of inter-racial violence, although the murders which took place earlier in the year have led to a degree of tension in the area. The police, the local authority and the other local agencies seem to be working well to tackle the underlying problems, and extra police manpower has been put into Thamesmead.

TEMPORARILY RETAINED
THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT.

C J WALTERS

Dominic Morris, Esq.
No 10 Downing Street
LONDON, S.W.1.

CONFIDENTIAL

Mr. Speaker: Order. I cannot hear everything down here. Perhaps it is just as well.

Mr. O'Brien: Will the Prime Minister confirm that because of his decision to opt out of the social charter—

Hon. Members: He has said that. [*Interruption.*]

Mr. Speaker: Order. Does the hon. Gentleman want to ask a question or not? Please get on with it.

Mr. O'Brien *rose*—[*Interruption.*]

Mr. Speaker: Order. This is intolerable. Will the hon. Gentleman please ask his question.

Mr. O'Brien: Will the Prime Minister confirm that because of his action in opting out of the social charter, Great Britain will be the only country in Europe that will deny its people the legal right to paid holidays? Does not he feel ashamed of that?

The Prime Minister: The hon. Gentleman can know what we have agreed not to join. What we have agreed not to accept are the sort of damaging laws that nearly brought this country to its knees when we last had a Labour Government. That is what we are not prepared to accept. Matters such as the hon. Gentleman raised can be dealt with at present under the social dimension to which the British Government subscribe and against which the right hon. Member for Islwyn (Mr. Kinnock) voted.

Q4. Mr. Hannam: To ask the Prime Minister if he will list his official engagements for Thursday 12 December.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Hannam: I congratulate my right hon. Friend on helping to create a more outward-looking Europe. In that connection, and in view of the impending serious food shortages in the Soviet Union, may I ask whether he was able to take any initiatives at Maastricht to help move foodstuffs from the Community to the Russian people?

The Prime Minister: Yes, we were able to take such initiatives. The European Council reaffirmed its determination to act quickly to help the people of the Soviet Union and in particular those who live in the heavily populated areas of Moscow and St. Petersburg. A substantial package of help for the Soviet Union, totalling over \$11 billion worth of emergency aid in 1991, has now been put in place by the Group of Seven, under my chairmanship, and the European Community. That includes new commitments of food and medical aid of over \$4 billion. Logistical experts will be meeting shortly to ensure that that aid gets swiftly to those in need. I am pleased also to tell the House that the United Kingdom is sending £20 million worth of animal feed aid to St. Petersburg so that livestock need not be slaughtered this winter.

Mr. Ashdown: Is the Prime Minister aware that the Government's decision to pay the mortgage element of income support direct to lenders is a welcome but wholly insufficient response to the crisis facing thousands of families in Britain because of home repossessions? Does he not realise that unless he is prepared to be more imaginative—for instance, with schemes for converting

mortgages to rents—we shall not avoid in the new year thousands of families facing misery, a further plunge in house prices and serious damage to the economy?

The Prime Minister: The Government are providing substantial help to those who risk losing their homes when they lose their jobs. As the right hon. Gentleman pointed out, we made new arrangements on 5 November to ensure that income support payments can be paid directly to the lender. The right hon. Gentleman may be interested to know that the Government are looking urgently with mortgage lenders at what further measures might be taken to protect those faced with repossession.

Sir Teddy Taylor: As one who joined the Leader of the Opposition in voting against the Single European Act, before the right hon. Gentleman became a Euro fanatic, may I appeal to my right hon. Friend to warn the voters about the huge dangers to the much improved labour relations of Britain if they were to vote into power any Government who were prepared to pass over the power to wreck our trade union reforms by majority vote in Brussels? Will he warn the British people of the damage that could be done to them and the danger to their way of life and democracy?

The Prime Minister: I am sure that if my hon. Friend maintains his position with his normal consistency, the day will come when the right hon. Member for Islwyn (Mr. Kinnock) will join him yet again in that view. On the substantive point, my hon. Friend will know that I agree with him, for I refused earlier this week to agree in Europe to the sort of laws that would have had the effect my hon. Friend sets out.

25. Mr. Livingstone to ask the Prime Minister if he will list his official engagements for Thursday 12 December.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Livingstone: Will the Prime Minister take time today to meet the Home Secretary to discuss how the Government should respond to the letter they have received from the mayor of Conservative-controlled Bexley drawing attention to the 140 per cent. increase in racist attacks in the area since the British National party moved its headquarters into the area? One of those attacks involved the stabbing to death of Rolan Adams by a racist mob. How does the Prime Minister think that the Government can respond to the Mayor's request that Bexley council be given the power to close that fascist headquarters before more lives are lost?

The Prime Minister: I was not aware of that incident, but I deplore such racist attacks without any reservation whatsoever. I will certainly discuss that incident with my right hon. Friend.

Mr. Rowe: The channel tunnel is about to become a major part of the United Kingdom infrastructure. Will my right hon. Friend look with his Cabinet colleagues at the fact that Kent is receiving considerable capital-infrastructure funds but virtually all of that money is going on projects linked to the channel tunnel, to the great detriment of Kent's other needs?

The Prime Minister: My hon. Friend is a powerful advocate for his constituency and for Kent generally. I will certainly examine the point that he raises.



Prime Minister

GOVERNMENT ACTION ON RACIAL DISCRIMINATION

The purpose of this minute is to inform you that I am proposing to publish a paper in the New Year outlining the action which we have taken over recent years to tackle racial discrimination.

.... This area has had a high profile recently, not least because of your own forthright and very well received speech at the Windsor Fellowship Graduation Ceremony in September. Having taken stock of the progress made in tackling racial discrimination in the past few years, I believe that we have a good story to tell. I therefore propose, if you agree, to publish a paper setting the action we have taken in the context of our overall race relations and anti-discrimination policy; I attach a brief outline of the paper. Although my Department would co-ordinate the drafting, it would need to draw on contributions from other Departments on their areas of policy. As the paper would be confined to explaining existing policies and programmes, it would not have any resource implications.

I am copying this minute to Norman Lamont, Michael Heseltine, Michael Howard, William Waldegrave, Peter Lilley, Tony Newton, Ian Lang, David Hunt, Peter Brooke, Tim Renton and Sir Robin Butler.

A handwritten signature in dark ink, appearing to be 'K. J.', with a small flourish at the end.

12 December 1991

PAPER ON GOVERNMENT POLICIES ON RACE RELATIONS AND RACIAL
DISCRIMINATION

Outline

1. Statement of general policy
 - [(a) integration rather than assimilation]
 - (b) commitment to combat racial discrimination
 - (c) promotion of equal opportunities

2. Legislative Framework
 - (a) Race Relations Act 1976
 - (b) Amendments made to 1976 Act
 - (c) Public Order Act 1986 (racial hatred)
 - (d) CRE's second review of the 1976 Act
 - (e) European dimension

3. Grant-Giving:
 - (a) Section 11
 - (b) Ethnic Minority Grant
 - (c) Reduction in Racial Disadvantage Grant

4. Role of CRE:
 - (a) enforcement - assisting individuals, formal investigations
 - (b) promotional work

5. Role of Advisory Council on Race Relations

6. Action to combat discrimination in particular policy areas:
 - (a) employment
 - (b) Ethnic Minority Business Initiative
 - (c) Inner-city policy
 - (d) Criminal Justice System (police, probation and prison services; magistrates' courts; Section 95)
 - (e) Housing
 - (f) Health and personal social services
 - (g) Education

7. Government as an employer

8. Racial harassment and racial attacks.

[9. Incitement arising from integration of religious minorities (eg. Satanic Verses; religious discrimination and incitement to religious hatred)].

10. Way forward



William

160/12

Now here I think there is
a case for publishing a paper
subject to seeing how it looks. I don't
think the Govt's action is the one we
will know (or by international standards,
our ~~was~~ we are pretty good).

Prime Minister

Car

GOVERNMENT ACTION ON RACIAL DISCRIMINATION

The purpose of this minute is to inform you that I am proposing to publish a paper in the New Year outlining the action which we have taken over recent years to tackle racial discrimination.

.... This area has had a high profile recently, not least because of your own forthright and very well received speech at the Windsor Fellowship Graduation Ceremony in September. Having taken stock of the progress made in tackling racial discrimination in the past few years, I believe that we have a good story to tell. I therefore propose, if you agree, to publish a paper setting the action we have taken in the context of our overall race relations and anti-discrimination policy; I attach a brief outline of the paper. Although my Department would co-ordinate the drafting, it would need to draw on contributions from other Departments on their areas of policy. As the paper would be confined to explaining existing policies and programmes, it would not have any resource implications.

I am copying this minute to Norman Lamont, Michael Heseltine, Michael Howard, William Waldegrave, Peter Lilley, Tony Newton, Ian Lang, David Hunt, Peter Brooke, Tim Renton and Sir Robin Butler.

WJ

12 December 1991

Race within the walls

IS THE Home Secretary playing the race card with his Asylum Bill? Kenneth Baker angrily denies the suggestion. Happily, there is an easy way he can demonstrate his credentials, over and above meeting the objections of critics who now include the primates of the Anglican and Roman Catholic churches. That is by tackling much more robustly the pernicious racial discrimination which still exists inside the UK. For remember what the Prime Minister himself said, two months ago, unveiling a commitment to work for a society where racial prejudice "shrinks, and then withers away for reasons of straight, simple, straightforward justice."

John Major made it clear that he does not subscribe to the view "that the Government can do nothing." And he was right. There has been a detailed plan sit-

ting in the Home Secretary's in-tray since 1985 setting out clear, pragmatic and sensible legislative reforms which would create a fairer society in Britain. Those proposals were drawn up by the Commission for Racial Equality (CRE), which is required under the 1976 Race Relations Act to keep the legislation under review. Six years since it submitted the report, the CRE has still not had even a formal response. Informally the Government has amended some statutes: bringing planning under the Act, extending the existing code-making powers in employment to housing, and revamping two provisions so that trainees have more protection against discrimination. But the most crucial changes remain untouched.

Surreptitious reform may have been understandable under Mrs Thatcher, who swept into power signalling she was not going to be "swamped" by immigrants. But Mr Major is different. So let ministers stop doing good by stealth — to avoid stirring up the reactionaries on their backbenches — and be open and bold about removing the injustices which the new Prime Minister seems to genuinely detest. Let them be as resolute about racial discrimination in Britain as the threat of US disinvestment forced them to be about religious discrimination in Ulster three years ago.

Paradoxically, most of the changes which the CRE has pressed for were incorporated in Ulster's Fair Employment Commission in 1989: a statutory obligation on companies to monitor the ethnic composition of their workforce; public access to these records; a racial discrimination sub division of the industrial tribunals; and a strengthened definition of indirect discrimination. Only through such measures can the two most important forms of discrimination be tackled: disguised but deliberate; and unintentional but adverse. Earlier this month Mr Major promised his help in ending sexual discrimination. All three types of discrimination — racial, religious and sexual — need equal, dynamic attention.

lms



R 14/11
→ WEE 31/10

Department of Employment
Caxton House, Tothill Street, London SW1H 9NF

Telephone 071-273 5817
Telex 915564 Fax 071-273 5821

Secretary of State

Our Ref: PO 56858

William Chapman Esq
Private Secretary to the
Prime Minister
10 Downing Street
London
SW1A 2AA

13th November 1991

Dear William

We recently discussed your letter of 18 October asking for views on Linbert Spencer's proposal for a Chief Executive Officers Group which was contained in his letter of 28 September addressed to the Prime Minister.

Officials here have discussed Linbert Spencer's proposal with colleagues in the Home Office and agreed the draft reply that Paul Pugh enclosed with his letter.

I would like to stress, however, that this Department would see any initiative as being led by employers. This must be right since it is clearly for employers to determine what they wish to do to promote equal opportunities in their organisations in the light of their own circumstances and requirements. As with Opportunity 2000, the Government's involvement should be one of support and encouragement, while at the same time leaving individual departments, in their role as employers, to participate if they so wish. It will be on this basis that we will discuss Linbert Spencer's and Stephen O'Brien's proposals with the Home Office.

I am copying this letter to Paul Pugh at the Home Office.

Janette Sinclair

JANETTE SINCLAIR
Private Secretary



Employment Service · Training Agency
Health and Safety Executive · ACAS

● From Long

minutes - at the end of meeting

2 ways in which you can (insert your title) contact
persons at the office - in a letter. h.c.

From Mrs

2 Emphasized only the app 2000

points) app of this ~~year~~
(his year's idea) of this note of 2010
L post

How to distribute?
split into 2.

(with to KLM) ?
R.M.

Part of

2 app of CRE.
(can be app.)

2 note 3 parts for this minute.

2 app - this project (throughout - case -
don't know what to do with it).
At
create - CS's note
of 29/10

2 Once (Part 2 of CS 25/10.)

CS to app the
of the letter

2 Have this app - note on it.

to include study go
[Central Mass' program].
at the end of app now
(copy - of all notes).

Race

Arts = bodies should exist on the road - should be a castle.
: could have been to ask if the appropriate for it (is it right).
(~~the~~ chain)

Business = by the way of it.

Opinion =
offer them in C's way as a way found - to top level where teach
is particularly in full employment ? the purpose

De - any further should be led by employees.

As a top level, such in. should be as of supply - etc.
a unit should be with - check point?

W. Major



The Rt Hon Mr John Major MP
Prime Minister
10 Downing Street
London SW1

October 31 1991

Dear Prime Minister

4111

Into the 21st Century

Supported by the Commission for Racial Equality, the Gulbenkian Foundation and the Community Development Foundation, Linbert Spencer Consultancy has run a series of consultations focused on minority ethnic communities and key social policy issues. These consultations culminate in a conference due to be held on 27th November 1991 [please see enclosed leaflet].

29 /

My purpose in writing to you is to ask you to receive a delegation sometime between 27th November and 20th December in order to 'hear' the outcome from the Conference. This delegation would comprise no more than eight or ten people and would take up no more than 30 minutes of your time.

||

In addition it would be helpful if Sarah Hogg, or a member of her team, could attend the Conference to gain first hand experience of the process leading to the conclusions and recommendations.

I hope you will be able to say 'yes' to these requests and look forward to hearing from you in due course.

Yours sincerely

Linbert Spencer
Linbert Spencer

Morrell House tel: 071 613 0820
98 Curtain Road fax: 071 613 0821
London EC2A 3AA **Please note our new address**



**A CONFERENCE
ON
WEDNESDAY 27 NOVEMBER 1991
CAVENDISH CONFERENCE CENTRE
LONDON W1**

**MINORITY ETHNIC COMMUNITIES IN BRITAIN
INTO 21ST CENTURY**

**Discussing conclusions from
a series of consultations on
key aspects of life for minority
ethnic groups in Britain,
and formulating plans to
further their progress**

Linbert Spencer Consultancy in conjunction with the Community Development Foundation is looking at key areas of life for minority ethnic groups in Britain.

During October and early November a series of small two day Consultations will explore a range of issues concerning minority ethnic communities. Each Consultation will consider the opportunities and obstacles which exist, work towards reaching conclusions and draw up recommendations.

There will be four Consultations:

- Education and Training
- Health and Social Welfare
- Employment and Business Development
- Housing and Environment

This Conference will build on the results of these meetings. Discussions on the conclusions from the Consultations and workshops to develop plans for future action will form the agenda on 27 November 1991 at the Cavendish Conference Centre, 20 Duchess Mews, London W1.

In the morning the Conference will divide into subject groups to discuss the recommendations from the Consultations. During the afternoon groups will consider how best to launch the recommendations into the mainstream social policy agenda through action to:

- Mobilise grassroots organisations
- Influence national institutions
- Affect the political agenda

PROGRAMME

9.00
Registration and coffee

9.30
Welcome and briefing

9.40
Presentation and discussion: Conclusions from Consultations

10.40
Coffee

11.00
Discussion Groups: Recommendations from Consultations

- Education and Training
- Health and Social Welfare
- Employment and Business Development
- Housing and Environment

12.15
Report back to Conference: Confirm Recommendations

1.00
Lunch

2.00
Briefing on afternoon session

2.15
Working Groups:

- Mobilising grassroots organisation
- Influencing national institutions
- Affecting the political agenda

3.45
Tea

4.15
Report back to Conference: Confirm action plan

5.30
End

Please complete and return the form below if you and/or a colleague wish to attend the conference. The cost per delegate is £47.00 (incl VAT). Cheques should be made payable to 'Linbert Spencer Consultancy'.

Cancellations after Monday 18 November 1991 will not be refunded.

The Cavendish Conference Centre is located in the centre of London, off New Cavendish Street. Nearby tube stations are Oxford Street and Great Portland Street. There are no parking facilities at the conference centre but National Car Parks are situated nearby in Queen Ann Street, Clipstone Street and Cavendish Square. (See map on reverse for details).

Minority Ethnic Communities in Britain - Into 21st Century

A Conference to be held on 27 November 1991

Cost: £47.00 (Incl VAT) per delegate

I/we would like to attend the conference

A) TITLE NAME

POSITION

B) TITLE NAME

POSITION

ORGANISATION

ADDRESS

TELEPHONE

I/we wish to join the following workshop(s). (please tick one box per delegate)

Education and Training Health and Social Welfare

Employment and Business Development Housing and Environment

Enclosed is a cheque for £..... made payable to 'Linbert Spencer Consultancy'

Please return to:
Catherine Nestor, Linbert Spencer Consultancy, Morrell House,
98 Curtain Road, London EC2A 3AA Tel:071 613 0820



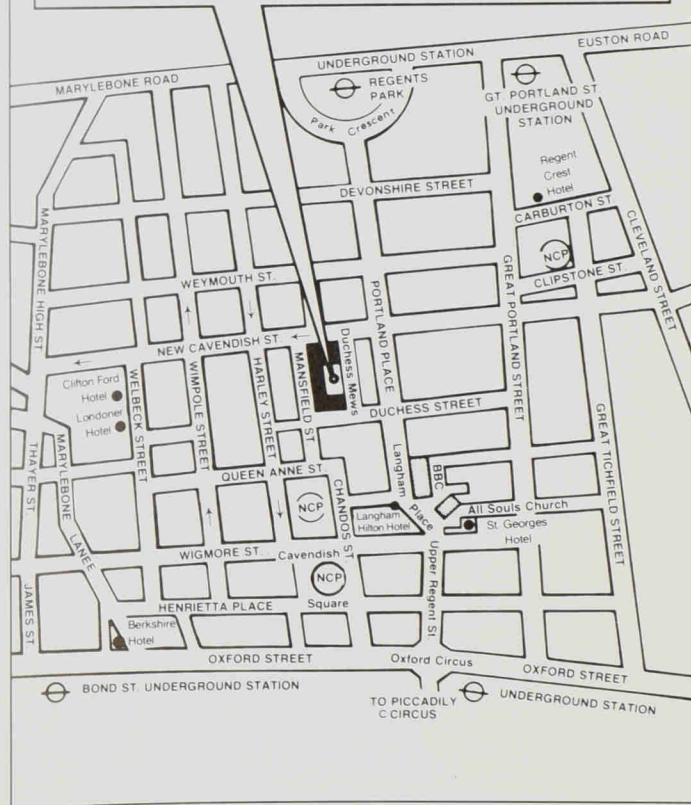
Linbert Spencer Consultancy are specialists in corporate strategy, helping organisations to benefit by bringing the marginal into the mainstream. The Consultancy believes that diversity offers opportunity and should therefore be valued. Private, public and voluntary sector clients are helped to define their objectives, construct a strategy and take ownership of, articulate commitment to, and implement that strategy.



COMMUNITY
DEVELOPMENT
FOUNDATION

The Community Development Foundation involves people in the regeneration of their communities by increasing their participation in local affairs, developing partnerships between the public and private sectors and voluntary agencies, and by influencing public policies to improve community life.

Cavendish Conference Centre



From: THE PRIVATE SECRETARY

IN CONFIDENCE



130/10
HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

30 October 1991

Dear William

You asked for advice on a letter of 26 September from Mr Linbert Spencer suggesting various ways in which the Prime Minister might involve himself in the furtherance of good race relations. I enclose a draft Private Secretary reply, which has been discussed with the Department of Employment.

As you say, there is no difficulty with Mr Spencer's first two suggestions. We will gladly provide material for any future speeches the Prime Minister wishes to make on race relations. Home Office Ministers do, of course, regularly speak on this subject, as do Employment Department Ministers.

Like you, we feel that a Prime Minister's award for promoting racial harmony might be seen as rather a gimmick. There is a role for a system to reward people who do valuable work in the area of race relations; and it is fulfilled by the honours system. We regularly recommend for honours people from the ethnic minority communities working in different capacities to further good race relations, and in the 1991 Honours Lists four of our nominees were awarded honours.

Mr Spencer's proposal for a Chief Executive Officers' group is rather similar to the idea floated by Mr Stephen O'Brien in his letter of 22 October to Mrs Hogg for an ethnic minority counterpart to Opportunity 2000. We are attracted in principle to the idea that Chief Executives of major companies should be invited to become involved in race equality issues. We would, however, see greater advantage in a scheme by which they would commit themselves to good practice within their own organisations and provide examples for others to follow, rather than produce reports and suggestions for action. In other words, we think that something on the lines of the Opportunity 2000 model would be preferable to that suggested by Mr Spencer.

William Chapman Esq
Private Secretary
10 Downing Street
London SW1

/2

IN CONFIDENCE

IN CONFIDENCE

2

As you anticipate, we would advise strongly against involving the Linbert Spencer Consultancy in taking this forward. More generally, Home Office Ministers consider that any dealings with Mr Spencer at this stage should be minimal and that he should be kept at arm's length. You may have seen that a leaked report of the Charity Commission's inquiry into Fullemplay, mentioning his role, appeared in the Independent on 19 October. Mr O'Brien's proposal is not free of difficulty either, in that it would involve Fullemplay. As Mr O'Brien mentions in his letter of 22 October, we are currently reconsidering whether or not a further Home Office grant can be properly made to Fullemplay.

Given these rather awkward circumstances, the draft reply expresses general interest in Mr Spencer's proposal; indicates that Mr O'Brien has made a similar one; and says, without commitment, that Home Office and Employment Department officials will give it further thought.

I am copying this letter and enclosures to Steve Turner.

Yours

Paul

PAUL PUGH

IN CONFIDENCE

ANNEXDRAFT

Linbert Spencer Esq
Chairman of the Trustees
Windsor Fellowship
47 Hackney Road
London E2 7NX

For sig: PS TO PRIME MINISTER

The Prime Minister has asked me to thank you for your letter of 26 September.

He was pleased to hear of the favourable reception for his speech to the Windsor Fellowship Graduation ceremony. He found it an enjoyable and encouraging occasion.

He has considered carefully the proposals enclosed with your letter. You suggested that he should make a speech on race relations in the near future, and refer to the ethnic minority perspective in other speeches. The Prime Minister will certainly look out for suitable opportunities to speak on issues as they affect the ethnic minority communities. Other Ministers will also continue to do so. Ministers do, in fact, regularly speak about this area of policy, but are not always fully reported in the media.

The Prime Minister agrees that it is very important to recognise those from all walks of life who work hard to promote racial harmony. He considers that the present honours system provides a good mechanism for rewarding individuals' efforts within a widely recognised and esteemed framework. In this way individuals receive the recognition they deserve within the mainstream and can be seen to have achieved amongst their peers in the community. The honours lists have regularly included people who have been honoured for their work in race relations. While he was interested by your idea

for a separate award he thinks the underlying purpose of such an award is well met by the honours system.

The Prime Minister was interested to read your proposal for a Chief Executive Officers' Group. A somewhat similar proposal has been put to him by Mr Stephen O'Brien. It is, of course, of the essence of these proposals they would succeed only if picked up with commitment and enthusiasm by employers. The Prime Minister has therefore asked the Home Secretary and the S of S for Employment to arrange for their officials to consider whether the ideas can be taken forward through an employer led initiative.

MISS SINCLAIR

30th October 1991

cc MRS HOGG
MR TRUE
MR CHAPMAN

RACE RELATIONS

I very much agree with your note to William Chapman of 29th October.

Since marrying an Indian, I have been sensitised to the extent of prejudice that still exists in the UK. Three types of incident have angered us:

- i) Racial abuse in the street, even in the pleasant part of London where we live. God knows what it must be like in Tower Hamlets.
- ii) The treatment of legitimate travellers at immigration control. On one occasion, Sarmila was detained for four hours.
- iii) Much harder to prove is prejudice in the job market. On a number of occasions we have tried to find out why Sarmila's application had been turned down, but to no avail. There is obviously a read-across to women.

I am sure that the right answer to these problems lies in having:

- a lead from the top, both politically and in business.

- public debate of these issues, including in schools. A Devon teacher told me at the weekend of the deep prejudice exhibited by her 8 year old class.
- firm laws against discrimination and racial abuse, with police willing to act.
- insistence on an open flow of information. Organisations should report on their record, and stand accountable for it. Jobs should be advertised, and candidates able to ask why their application had failed.
- equal access to decent education for talented youngsters.
- 'role models' and mentors to inspire the young.

The problem is that you are trying to root out cultural attitudes without resorting to the injustice of affirmative action. We should stress always that our concern is not just to promote the underprivileged on grounds of fairness but that it is also in the long-term interest of society to be open to the promotion of all talent at the expense of entrenched mediocrity. It is in our economic interest to open up opportunity to all races, and both sexes.


ALAN ROSLING

222.ar

MR CHAPMAN

29 October 1991

cc Mrs Hogg

Mr True

RACE RELATIONS

Dr Sanders, Chief Executive of the Commission for Racial Equality, came to see me today.

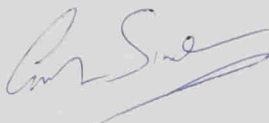
He said how very much the Commission had welcomed the Prime Minister's recent speech to the Windsor Fellowship. They had also been pleased at the recognition, in the Citizen's Charter White Paper, that there should be no discrimination on grounds of sex or race. Dr Sanders said he hoped that ethnic monitoring could form part and parcel of the better services being promoted by the Citizen's Charter.

He went on to say that the Commission were currently reviewing the operation of the Race Relations Act. They thought the Home Office was complacent. In their view there was still a great deal of discrimination, and this was evidence that the Act was not working very well. The Commission would like to see the act remodelled on the lines of the Employment Act in Northern Ireland which prohibits discrimination on grounds of religious belief.

Dr Sanders went on to raise a number of things that he felt the Government should do. I asked if the Commission supported employer led initiatives along the lines of Opportunity 2000 for women. He said that they did, and that there were some smaller scale initiatives of this kind already running in the race relations field. He mentioned a group of employers in the Midlands. I said that it would be helpful to be kept informed of such initiatives.

Dr Sanders concluded by saying again how welcome the Prime Minister's recent speech had been. He hoped that he could find other occasions to speak so positively on the subject of race relations, and that he would encourage his colleagues to do likewise.

You are already looking out for speeches where the Prime Minister could develop his thinking on race relations. We might consider a circular minute to colleagues about their speeches once we have the Departmental responses to the proposals by Linbert Spencer.

A handwritten signature in blue ink, appearing to read 'Carolyn Sinclair', with a long, sweeping underline.

CAROLYN SINCLAIR

554.CS

MR CHAPMAN

23 October 1991

cc Mr True

Mrs Chaplin

RACE RELATIONS: LINBERT SPENCER'S PROPOSALS

Thank you for your minute of 16 October.

I very much agree that the Prime Minister should be seen to be involving himself more closely in race relations in the coming months. Immigration/asylum will be an issue this winter. The Prime Minister should be seen to be balancing concern about "impending hordes" of non-Europeans with concern about fair opportunities for people of non-European origin who are part of our society.

Specifically:

- we should try to work something into speeches where we can (you will have a better idea than I do of what is coming up);
- I agree that a Prime Minister's award for racial harmony looks gimmicky;
- I see some attractions in the Chief Executive initiative, but not necessarily in having it set up and serviced by Linbert Spencer Consultancy.

I will expand on the last point. As you say, there are parallels with Opportunity 2000. But that initiative was carefully worked up by Business in the Community in close conjunction with a core group of employers. It aims to attract more and more organisations to commit themselves to being Opportunity 2000

employers.

I am not clear how the small group of 8-10 Chief Executives is going to spread better practice within companies. The proposal seems to be that they would act as a group of advisers to the Prime Minister. I do not think that is what is wanted. We want an initiative which will cause companies to ensure that opportunities are equal for all, regardless of race.

I would wait to see what the Home Office and Department of Employment say. If their replies are unimaginative, I would be inclined to use the links we now have with Business in the Community to see whether they think this is an area for them (they may, for all I know, already be doing something in the field of race relations). They should be flattered that we think so well of the Opportunity 2000 approach that we wonder if it could be extended to race relations - albeit as a separate initiative. Depending on their reaction, we may be able to point Linbert Spencer Consultancy to linking up with Business in the Community.

If you agree, I am happy to explore tentatively with Jane Kershaw et al. But first I think we need the Departmental replies.

CAROLYN SINCLAIR

528.CS



BUSINESS in the COMMUNITY

Mrs Sarah Hogg
Head of The Policy Unit
Office of the Prime Minister
No.10 Downing Street
London SW1A 2AA

D
Pl copy Rose
PPS to William
return
e

Carolyn:
What do
you think?
Sarel

22 October 1991

Dear Sarah,

I was extremely interested to see the reference to the Prime Minister's likely message to our Operation 2000 launch next Monday, as reported in the Evening Standard of the 21 October 1991.

In particular, I noted that he might be suggesting a similar initiative for Ethnic Minorities. If this is true, he might like to suggest that Business in the Community be invited to work up a similar approach to its Operation 2000.

We would then put together another appropriate top level leadership team for the purpose. We would want to do this in partnership with Fullemploy which has a long track record of working with the private sector to improve minority employment prospects. However, Fullemploy is still trammelled by its recent past and we are working closely with Sir Clive Whitmore to see how the public and private sectors together can overcome the last remaining difficulties. The enclosed article from Monday's Financial Times will give you the background. If you wish to discuss this further before Monday, I would be most grateful if you could talk to Julia Cleverdon as I shall be overseas.

One last point, which I am sure you will appreciate; it would obviously be unhelpful for Opportunity 2000 if there was any hint of a mixed message in public linking the two subject areas. So, if he wanted to, the Prime Minister would be well placed to raise this at his short private meeting with the business leaders which follows the launch.

Yours sincerely

Dear Stephen,

Stephen
STEPHEN O'BRIEN

Thank you very much for your letter. I'm sorry I didn't have a chance to discuss it further at the splendid Opportunity 2000 launch. I would certainly like to talk further about it.
Yrs etc

FULL.SOB.100

Fullemploy in crisis as grant is withdrawn

By Alan Pike, Social Affairs Correspondent

THE FUTURE of Fullemploy, Britain's only national training organisation for young people from ethnic minorities, is in doubt - after a Home Office decision to withhold its grant.

The collapse of Fullemploy - which is trying to persuade the Home Office to reverse its decision - would be embarrassing for the government. Ethnic minority unemployment remains higher than in the majority community, and the charity's efforts to tackle the problem are supported by many leading organisations in both the private and public sectors.

Attempts are being made to raise more money from Fullemploy's private-sector supporters to demonstrate to the Home Office that it is financially viable.

The decision to withhold the grant came after a year in which the charity's managers struggled to maintain activities through a financial crisis and a charity commissioners investigation. Early this year the charity commissioners started to probe issues arising from unsuccessful expansion attempts. A £250,000 Home Office grant which Fullemploy expected was frozen pending the outcome.

A draft report has been produced by the commissioners. It is critical of aspects of Fullemploy's previous administration, saying that up to mid-1990 the charity's trustees did not exercise sufficient supervision.

The commissioners said in a letter to the Home Office last month, however, that on the basis of improvements which had been made, and written commitments given by Fullemploy's trustees, their requirements with respect to the administration and finance of Fullemploy were being met.

The commissioners said the

trustees were receiving proper professional advice in matters of administration and finance and had confirmed that they "are taking, or have taken, all reasonable steps to ensure that Fullemploy is administered on a proper basis". Fullemploy's managers and trustees hoped that on the basis of these comments the delayed grant, without which the charity faces collapse, would be paid.

The government says its decision not to make the grant concerns Fullemploy's current solvency. It is, says the Home Office, improper for a government department to make a grant to a body when its sol-

EMPLOYMENT

veny is conditional on receiving the grant.

Grants made in such circumstances would go towards discharging past liabilities rather than funding future activity - something which would be inconsistent with the principles governing parliamentary approval of public expenditure.

Fullemploy is launching a new high-quality training and work-experience programme in east London with the support of Abbey National and London East Tec.

The Bank of England and Royal Insurance are seconding staff to its head office.

Mr Stephen O'Brien, Fullemploy's chairman, and chief executive of Business in the Community, has told the Home Office that reorganised financial controls and tighter management have earned the charity the confidence of its business supporters and the ethnic minority community. Withholding the Home Office grant would be a "shot below the waterline to sink us very quickly".

SPENCER

30/10



Chomel/Spencer
MC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

17 October 1991

The Prime Minister has asked me to thank you for your letter of 26 September about the Windsor Fellowship ceremony and for your kind comments. I know that the Prime Minister very much enjoyed the event.

I will come back to you as soon as possible in response to your suggestions for a programme of action by the Prime Minister.

Wm
Too early?
J Bolo

WILLIAM E. CHAPMAN

Linbert Spencer, Esq.

eu



cl/home/Walters
cc O/emp
CS
GCL

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

16 October 1991

Dear Colin,

I should be grateful for advice on the attached letter from Mr Linbert Spencer suggesting various ways in which the Prime Minister might involve himself in the furtherance of good race relations.

I see no difficulty about Mr Spencer's first two suggestions, except that the number of speeches the Prime Minister makes is inevitably limited and I am not sure that he would want to devote another speech in the near future to race relations and other issues affecting blacks and Asians exclusively.

However, we will remain alert to the possibility of including suitable references in other speeches, where appropriate.

The Prime Minister's award for promoting racial harmony strikes me as tending towards gimmicky. In addition, there are so many awards nowadays that I suspect that the currency is being devalued, but I should be grateful for views.

As to the Chief Executive Officers Group which Mr Spencer proposes, this seems to me to be rather similar to the work and aims of Opportunity 2000 working in the field of equality for women. I should be grateful for your views on this suggestion and for those of the Department of Employment. I am therefore copying this letter to Steve Turner (Department of Employment).

I should be grateful for a draft Private Secretary reply by Wednesday 30 October.

I am aware that we might not want to involve the Spencer Consultancy because of the factors which you outlined to me in the briefing for the Windsor Fellowship.

Yours
William E. Chapman

(WILLIAM E. CHAPMAN)

Colin Walters, Esq.,
Home Office.

Walters

MISS SINCLAIR

I should be grateful for your views on this paper from Mr Linbert Spencer about the Prime Minister involving himself more closely in race relations and other matters concerning black and Asian Britons.

You will see that I have also asked for advice from the Home Office and Department of Employment. Perhaps I could draw out a little more strongly that I could see some merit in a group of some sort along the lines of, if not identical to, the Group of Chief Executives which Mr Spencer proposes.

I will go through the list of Prime Ministerial speeches over the next few months to identify those where the reference to the importance of open and equal employment policies would be appropriate. The Prime Minister is, for example, speaking at one or two engineering industry functions and these would seem to be suitable.

WEC

(WILLIAM E. CHAPMAN)

16 October 19912

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INDSOR FELLOWSHIP

The Rt Hon Mr John Major MP
Prime Minister
10 Downing Street
London SW1

R30

September 26 1991

Dear Prime Minister

I write to thank you on behalf of the Trustees and Staff and everyone else connected with the Windsor Fellowship for your most valuable contribution to our graduation event.

We were grateful for the time you gave us, for what you had to say, for the manner in which you addressed us and for the way you participated in the reception.

In listening to the comments of those who attended, it is clear to me that the audience warmed to you and were excited by your vision of a society of opportunity for all, irrespective of colour.

On a personal note, I would commend you for the forthright fashion in which you recognised the existence of racial discrimination in our society and denounced it as pernicious.

Having thought carefully about what you had to say, I believe that through the office of Prime Minister, and because of the commitment you communicated so effectively on Wednesday, you could make a considerable impact regarding the valuing of ethnic diversity in Britain. I would ask you to consider the attached proposal as a means of building on the very firm foundation which you laid at the Windsor Fellowship graduation event.

Thanks once again for giving us your support, and looking forward to hearing from you soon.

Yours sincerely



Linbert Spencer
Chairman



INTEGRATION INTO THE MAINSTREAM
A PROPOSAL TO THE PRIME MINISTER

1.0 The aim of this proposal is to use the Office of Prime Minister as a means of directly changing the climate as far as racial harmony and opportunity in Britain is concerned. It is an attempt to act positively to facilitate the more effective integration of black Britons into the mainstream of society to the benefit of Britain as a whole.

The proposal identifies four programme areas through which aims could be advanced:

- 1.1 **Speeches** about black Britons and different socio-economic issues
- 1.2 **Insertions**, covering the black dimension into other speeches
- 1.3 **The Prime Minister's Award** for promoting racial harmony
- 1.4 **A Chief Executive Officers Group** to address key issues concerned with race in society.

2.0 **SPEECHES**

2.1 A launching or keynote speech would be targeted at black and white people and would lay out the agenda for more specific speeches/action or activity at a later time.

2.2 In broad outline, the speech and any subsequent speeches would:

- . inform and educate the person in the street
- . demonstrate the Prime Minister's understanding of and commitment to black citizens
- . challenge and disturb those targeted and call on them for action
- . focus on a particular aspect of 'Integration into the Mainstream'

NB: 'black' is used to mean all visible minorities/'people of colour'

2.3 Particular areas of focus could include:

- . employment and business development
- . the economy
- . education and training
- . the media
- . politics
- . the criminal justice system
- . health and social welfare
- . the arts
- . sport

3.0 **INSERTIONS INTO OTHER SPEECHES**

3.1 Having identified a 'position' on the areas focused on in the previous section, cross-referencing will be relatively straightforward I would be happy to recommend ways in which the 'Integration' theme could be addressed by the Prime Minister on an event-by-event/speech-by-speech basis.

3.2 'Insertions' could well be the most important aspect of the plan because the 'black' issues being addressed by the Prime Minister would be seen to be in the mainstream of society. The highlighting of the impact on or the contribution of black citizens would be a valuable means of moving towards the aim of helping to advance the move of Britain's black citizens into the mainstream of society.

4.0 **THE PRIME MINISTER'S AWARD FOR PROMOTING RACIAL HARMONY**

4.1 This award would promote 'racial harmony' as an asset for the country at the same time as making the point that positive action is required to attain that harmony.

4.2 The award could be split into four main categories:

4.2.1 Young people under 25 years old [sub-divided into different age groups] judging managed under the auspices of the Windsor Fellowship

4.2.2 Community and Voluntary Organisations - judging managed under the auspices of the Commission for Racial Equality

- 4.2.3 Private Sector Employers - judging managed under the auspices of the Confederation of British Industry
- 4.2.4 Public sector/Governmental/Nationalised industry - judging managed under the auspices of the Royal Institute of Public Administration.

[NB - none of the above have been consulted about this]

- 4.3 Linbert Spencer Consultancy would undertake the overall management and co-ordination of the Award Scheme in conjunction with The Prime Minister's office and, given approval in principle, will provide a detailed brief of how the scheme could work.

5.0 **CHIEF EXECUTIVE OFFICERS GROUP**

- 5.1 The reason for having a group of Chief Executive Officers, mainly from the private sector, focusing on 'race' is that C.E.O.s are being asked to contribute to practically all the key social policy issues. The current trend is about the importance of the the corporate citizen and the wisdom and influence of the Chief Executive Officer in societal life.

It would seem legitimate, appropriate and even necessary therefore to engage a small group of Chief Executive Officers as high profile standard bearers as we attempt to 'work for more effective integration in the United Kingdom, socially, culturally and economically.

- 5.2 The aim of the Chief Executive Officers Group would be to :

- . raise the level of awareness in individual Boardrooms and amongst representative organisations by placing race equality issues on corporate agendas
- . identify those issues which may be susceptible to private sector intervention and suggest appropriate strategies

- 5.3 The Group should be small - no more than 8/10. They should be high profile and well known and should include one or two people who are not necessarily known for this kind of involvement and whose very presence there would cause others to stop and think.

5.4 The role of the Prime Minister would be minimal in that he would call them together and commission them, receive interim reports and findings which could be acknowledged and used both in his set speeches on the 'Integration into the Mainstream' theme and to 'in fill' around the theme during other speeches or events. The Prime Minister would then meet with the Chief Executive Officers to receive their final report and recommendations.

5.5 The Chief Executives Group could be serviced by Linbert Spencer Consultancy which would provide such background research and other support as required.

Given approval in principle, a brief, including details of individuals recommended for appointment by the Prime Minister, could be prepared by Linbert Spencer Consultancy.

6.0 CONCLUSION

6.1 If the proposals in this document are accepted, the activities of the Prime Minister during the next two years could be used as an important means of improving the social and economic integration of Britain's black citizens. The aim of moving black citizens into the mainstream is for everyone's benefit and requires action on the part of the black community as well as everyone else.

6.2 Earlier in this proposal I said that all the speeches needed to challenge and disturb - I want to emphasise that this means challenging and disturbing the black community as well as everyone else.

6.3 The four programmes taken together would, I believe, have a very powerful impact. However, any one of them would make a real difference if taken on board by the Prime Minister.

6.4 In working on this theme as described I believe that there will be maximum impact by The Prime Minister on the issues identified but with very little additional work for The Prime Minister or his staff.

dti

the department for Enterprise

The Rt. Hon. Peter Lilley MP
Secretary of State for Trade and Industry

Rt Hon David Waddington MP
Home Secretary
Home Office
Queen Anne's Gate
LONDON
SW1H 9AT

CEPU

n.b.P.M.
BP
3/18

Department of
Trade and Industry

1-19 Victoria Street
London SW1H 0ET

Enquiries
071-215 5000

Telex 8811074/5 DTHQ G
Fax 071-222 2629

Direct line
Our ref
Your ref
Date

071-215 5623
PE5ARR

31 August 1990

Dear Secretary of State

INTRODUCTION OF NEW SYSTEM FOR ADMINISTRATION OF GRANT
UNDER SECTION 11 OF THE LOCAL GOVERNMENT ACT 1966

Thank you for copying to me your 17 August letter to the
Lord President. *at hand*

You propose delaying the introduction of new arrangements
for Section 11, and whilst I am sure that local authorities
and voluntary groups will welcome the news that the
deadline for submitting applications is being delayed, I am
not sure that news that funding is also to be delayed will
generate the same enthusiasm.

Nevertheless, although I myself have profound reservations
about some aspects of Section 11 funding, I have no overall
objection to your proposed delay. Indeed, I feel there is
a lot to be said for resolving the confusion caused by the
mid-term start of the new arrangements.

In general the Task Forces, which represent the
Department's main interest in section 11, will be able to
cope with the postponement. There is however one case
which could cause difficulties. We have approved in
principle a large project in Spitalfields Task Force
concerned with the provision of training in English for
speakers of other languages. The delay in the availability
of new Section 11 funding may jeopardise its success. I



Recycled Paper



the department for Enterprise

should therefore be grateful, in the even of problems arising for the project, if your officials would explore with mine ways of assisting this scheme so that the delay does not affect it unduly.

I am copying this letter to the recipients of yours.

*Yours sincerely
Rosalind Cole*

(Approved for the Secretary of State
and signed in his absence.)



Recycled Paper

Home Address
Race Relation
P 2





Barnold
n.b. P.M.
at *Wais Storg. BHP 218*
QUEEN ANNE'S GATE LONDON SW1H 9AT

17 August 1990

Dear Lord President

INTRODUCTION OF NEW SYSTEM FOR ADMINISTRATION OF
GRANT UNDER SECTION 11 OF THE LOCAL GOVERNMENT ACT 1966

ad hoc
On 14 March I announced the new proposals for grant administration under section 11 of the Local Government Act 1966. Interested parties were invited to comment by 1 June, and Home Office officials have since then been considering over 200 written responses together with comments made directly at a number of conferences to discuss the proposals.

It was originally intended that the new system should take effect from April 1992, when projects approved for funding under new criteria would commence and existing provision cease. H Committee wished to see the timetable accelerated, and the proposals announced in March envisaged bids for funding being made to the Home Office by the end of December 1990 for projects to start in October 1991. It is now clear that the shortened timetable has posed a number of difficulties for local authorities and the voluntary sector alike, which indicate that it would be unsafe to adhere to the accelerated timetable. Accordingly I propose reversion to introduction of the new arrangements in April 1992.

Consultation Process

The variety, content and quality of the responses has taken longer to consider than anticipated, which has in turn meant that we have not been able to issue the revised guidance as quickly as we should have wished. This has provided even less time for local authorities to construct their bids and it is now clear that we shall not be in a position to make the substantive announcement on the new arrangements until mid to late September.

By far the greatest complaint about the new arrangements - almost universally expressed by both local authorities and the voluntary sector alike - is the shortage of time in which to submit their applications for funding. The large majority of respondents maintain that a closing date for project bids of December 1990 following (at the earliest) a launch of the final arrangements in September allows insufficient time effectively to reassess existing provision and prepare fresh bids. This is an overriding concern of the local authorities but is shared, significantly, by the community groups and voluntary sector bodies. There is also considerable confusion over the imposition of a mid-term start, coinciding with neither the financial nor academic years.

The Rt Hon Sir Geoffrey Howe, QC., MP.
Lord President of the Council
Privy Council Office
WHITEHALL, S.W.1.

/over..

In addition, the increased emphasis in the new system on the placement of projects within the voluntary sector gives voluntary bodies a far greater role to play in assessing and arguing the case for need and, in concert with local authorities and TEC sponsors, proposing projects for funding. There is a genuine anxiety, especially among the smaller groups with little experience of section 11, that their voices will be stifled if the pressure of a short deadline is too great. It would be exceedingly regrettable if, because of a combination of inexperience and lack of time, bids for projects based in the voluntary sector did not meet the requirements of the new criteria and fell to be refused.

It has been forcibly pressed on us, by community representatives, that greater consultation must take place locally over project proposals than has been the case in the past. We share that view and have built into the circular instructions requirements to that effect. But both local authorities and voluntary bodies have made the legitimate point that full consultation takes time - especially when, in the first round of bids, the entire body of section 11 provision is involved - and that the timetable for introduction must make proper space for it.

Anxieties have also been expressed that the time presently allowed (three months) between the date of notification of funding and the starting date for new projects is insufficient to recruit the necessary staff.

CONCLUSION

My first concern must be that a new system is both effective and seen to be so. No-one disputes that the present system needs urgent and radical revision to make it more effective. We are already taking some steps to improve the financial controls (with the endorsement of Treasury) in advance of the introduction of the wider administrative arrangements to ensure that the benefits of the new proposals accrue at the earliest opportunity. It is important, however, that the credit due for undertaking the revision does not evaporate because the new system runs into early difficulties. It is important also, for reasons both of presentation and substance, to show that Government has listened to what has been said by both the local authorities and the community group at this time.

If we are to take account of these concerns, I believe that we must revert to a start date of April 1992, allowing a deadline for applications under the new system of 30 April 1991, with notification of decisions to be given by 31 October 1991. That would allow a more realistic period for the preparation of bids, and more leeway for their establishment once funding was approved. It would have the benefit of allowing the Home Office to develop more fully a pro-active approach to section 11 administration. The appearance of officials from the Home Office and other Departments at section 11 conferences to discuss the issues raised has been greatly welcomed. We propose to extend that approach into the practical introduction and running of a new system: there are real benefits for both to be gained here.

/cont....

Deferring the introduction of new arrangements has implications for the management of the cash limit on grant spending. I am discussing these with the Chief Secretary: we are agreed that, if there is to be a deferral, there must also be a mechanism for controlling expenditure in the next financial year and I am looking to ways to ensure that this is done. Subject to the Chief Secretary's agreement on the financial points, and the comments of other H colleagues, I should wish to announce the deferral as soon as possible. This will do much to counter the charge that the arrangements are being introduced with undue haste; the substantive announcement setting out the full administration proposals could then be made by Ministers in mid-late September. It would therefore be helpful to know as soon as possible if any colleagues disagree with this proposal.

I am copying this letter to the Prime Minister, members of H Committee, the Attorney General and Sir Robin Butler.

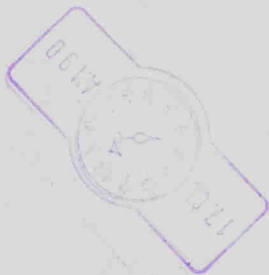
Yours sincerely
Lawson

APPROVED BY THE HOME SECRETARY
AND SIGNED IN HIS ABSENCE

HOME AFFAIRS: RAO

Retard

Pid





SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

copy

*n. b. p. m.
BHP
9/9*

The Lord Mackay of Clashfern
Lord Chancellor
House of Lords
SW1A 0PW

x
9 April 1990

Dear General,

**COURTS AND LEGAL SERVICES BILL
AMENDMENTS TO THE RACE RELATIONS ACT 1976**

clear

Thank you for sending me a copy of your letter of 29 March to the Lord President.

Insofar as your existing difficulties arise within barristers' sets of chambers, they do not extend to Scotland where, as you know, all advocates practise from Parliament House. The numbers of the ethnic minorities in Scotland are proportionately lower than in England and Wales, and I have not had complaints about race discrimination in the instruction of advocates, or in the arrangements for becoming an advocate.

Nevertheless, and particularly as the remedies you propose involve insertions into GB legislation, I think we should avoid excluding Scotland unnecessarily. Thus it should be no more lawful to discriminate in instructing an advocate than in instructing a barrister; and I shall consider how best to address the scope for discrimination in the arrangements for devilling, with a view to instructing an appropriate provision.

No doubt your officials will keep in touch with mine on this. I am copying this letter to the Prime Minister, the Lord President, Members of 'H' and of 'L', to the Attorney General, the Lord Advocate and to Sir Robin Butler.

*Yours ever,
M.R.*

MALCOLM RIFKIND

MAB092P1

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PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

5 April 1990

n. b. p. m.
BHP
6/4

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COURTS AND LEGAL SERVICES BILL
AMENDMENTS TO THE RACE RELATIONS ACT 1976 *- leap*

Thank you for your letter of 29 March seeking H and L Committee's agreement to your proposal to amend the Courts and Legal Services Bill to bring the legal profession within the jurisdiction of the Race Relations Act 1976 and the Sex Discrimination Act 1975.

The Home Secretary and the Employment Secretary have written supporting your proposals. Both agree with your preference to amend Part II of the Acts. In addition the Employment Secretary has referred to the need to assess the possible impact of EC law on the new provisions.

No other colleague has commented, and you may therefore take it that you have H and L Committees' agreement to your proposals.

I am copying this letter to the Prime Minister, members of H and of L, to the Attorney General and to Sir Robin Butler and First Parliamentary Counsel.

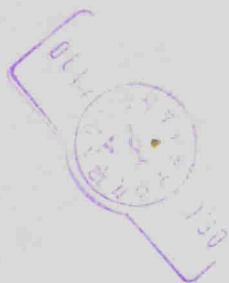
[Handwritten signature]

GEOFFREY HOWE

The Rt Hon the Lord Mackay of Clashfern

HOME AFFAIRS; Race Rel. Pt 2

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QUEEN ANNE'S GATE LONDON SW1H 9AT

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NBAm

4 April 1990

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COURTS AND LEGAL SERVICES BILL:
AMENDMENTS TO THE RACE RELATIONS ACT 1976

for
Thank you for sending me a copy of your letter and enclosures of 29 March to Geoffrey Howe.

I fully support the proposals to bring all sectors of the legal profession within the scope of the Race Relations and Sex Discrimination Acts. My officials have, of course, already been in touch with yours as you have formulated your ideas.

My personal view is that both provisions, but especially those dealing with discrimination by and within the Bar, should be brought within Parts II of the Race Relations and Sex Discrimination Acts. However, I am content to leave this issue to the draftsman to resolve.

I am copying this letter to recipients of yours.

Geoffrey Howe

The Rt Hon The Lord Mackay of Clashfern
The Lord Chancellor
House of Lords
LONDON, SW1

HOME AFF

Receipts

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ccph

CONFIDENTIAL
Department of Employment
Caxton House, Tothill Street, London SW1H 9NF

Telephone 01-273 . . . 5802
Telex 915564 Fax 01-273 5821

KBPM
CSB

Secretary of State

The Rt Hon The Lord MacKay of Clashfern
Lord Chancellor
House of Lords
LONDON
SW1 0PW

45 April 1990

Dear James

Joly

COURTS AND LEGAL SERVICES BILL: AMENDMENTS TO THE RACE RELATIONS ACT 1976

Thank you for copying to me your letter of 29 March to the Lord President. I welcome your proposals to bring discrimination against and within the Bar within scope of the Race Relations Act 1976 and the Sex Discrimination Act 1975.

My officials have discussed with yours our preference for the new provisions to be included in Parts II of the Acts. On genuine occupational qualifications our concern is that there should be uniformity across the two Acts, and I note what you say about this in your paper. It will, of course, be necessary to assess the possible impact of EC law on the new provisions, particularly the Equal Treatment and the Self-Employed Directives.

I am copying this letter to the Prime Minister, members of H and L, to the Attorney General and to Sir Robin Butler.

Michael Howard
Michael

MICHAEL HOWARD



CONFIDENTIAL
Employment Commission · Trade Agency
Health and Safety Executive · ACAS

HOME AFFAIRS:

Race Relations 172





HOUSE OF LORDS,
SW1A 0PW

1. CAS - to see
2. NBAR de leur date.

Reference: DL70/285/31

Recd
29/3 29th March 1990

Dear Geoffrey,

COURTS AND LEGAL SERVICES BILL
AMENDMENTS TO THE RACE RELATIONS ACT 1976

I have received correspondence from both the Bar Council and the Law Society, drawing my attention to the fact that the Race Relations Act 1976 does not render unlawful discrimination on the grounds of race either by or within barristers' sets of chambers, or by solicitors against barristers. This is because the wording of the statute does not cover these unique relationships which are neither partnerships, nor of employment, nor contractual. I am satisfied that this omission was not deliberate, but rather the result of a failure to appreciate at the time that such relationships would fall outside the relevant statutory provisions.

Both the Bar Council and the Council of the Law Society have resolved that all sectors of the legal profession should be brought within the jurisdiction of the Race Relations Act and have requested that amendments to that Act be incorporated into the Courts and Legal Services Bill. I have discussed this request with the Attorney General and we are agreed that we should take this opportunity to do what we can to eliminate unfair obstacles to black barristers. Indeed the Bar Council will otherwise put down its own amendments to the Bill in Commons Committee which it will be politically impossible for us to resist.

The Right Honourable
Sir Geoffrey Howe, QC MP
Lord President of the Council
Privy Council Office
Whitehall
London SW1A 2AT

There is one other important point to mention here. The Race Relations Act 1976 is modelled on, and parallels, (with obvious exceptions) the Sex Discrimination Act 1975. Thus discrimination on grounds of sex within and against the Bar is not covered by its provisions for exactly the same reasons as racial discrimination is not unlawful under the 1976 Act. I propose therefore to amend the Sex Discrimination Act in the same way as the Race Relations Act so that discrimination within and against the Bar on grounds both of sex and of race is unlawful. I attach a Policy Paper which sets out our joint view on the best way to proceed. The main features of the scheme we propose are:-

- a) that the changes should be achieved by inserting new free standing sections into each of the two relevant statutes. The positioning of the new sections in each of the statutes will be left for Parliamentary Counsel to decide, as a matter of law and drafting, although upon this choice depends the question of whether disputes will be heard by industrial tribunals or county courts. The caseload which the new provisions will generate will not in any event be substantial; and I understand that there is therefore no objection to it being left to Counsel to settle how the relevant legislation may most appropriately be amended; and
- b) there is to be no exemption, in either statute, analogous to a "genuine occupational qualification". Thus it will not be possible, in the future, for a solicitor to fulfil a request from a client that a barrister of a particular race or sex should be instructed, without contravening the anti-discrimination legislation. The full reasoning behind this approach is set out in the paper, but primarily it accords with the principle behind the statutes, reinforced by case law, that client choice cannot be an excuse for discrimination, and with the reality of practice at the Bar, namely that barristers provide professional, rather than personal, services.

I should like the proposals outlined in the Paper to be introduced as Government amendments at the Bill's Committee Stage in the Commons. In view of the short timetable this leaves, I will assume that colleagues are content unless I hear to the contrary, or receive any comments, by noon on Wednesday 4 April. If there is any particular concern, I suggest the best way forward would be for there to be very early meeting of interested colleagues, (which I would readily, if necessary, convene) since the Attorney-General and I are keen to accede to the professions' request in this area.

I am copying this letter to the Prime Minister, members of H, and of L, to the Attorney General and to Sir Robin Butler.

Yours ever,
James.



CONFIDENTIAL

COURTS AND LEGAL SERVICES BILL - PROPOSED AMENDMENTS

RACE AND SEX DISCRIMINATION WITHIN AND AGAINST THE BAR

POLICY PAPER

Introduction

1. The discrimination that it is proposed to outlaw falls into two main categories: Race and sex discrimination within the Bar; and race and sex discrimination by solicitors against barristers. This paper examines these areas in turn and puts forward proposals on the best method to bring them within the scope of the anti-discrimination statutes.

Race Discrimination within the Bar

Background

2. The Bar and the Law Society both agree that discrimination by a barrister against a current or prospective pupil or other member of chambers on the grounds of race should be made unlawful. Opinion obtained from Counsel is that relationships within chambers are not covered by the Race Relations Act 1976 because barristers do not employ pupils or each other and are not in partnership. Counsel's opinion is that other provisions of the Act relating to professional organisations, the provision of education facilities and disposal of premises do not apply to relationships within the Bar either.

The proposed amendment

3. The alternatives available to amend the statute are either to adapt the existing provisions to include pupillages and tenancies or to insert a new free-standing clause in the Act specifically covering them. The former course would either involve the presentational difficulties of deeming employment or partnership relationships into barristers chambers, which is likely to meet with opposition from the Bar, or would involve distorting the existing provisions to cover matters for which they were never intended, with possible negative implications for the application of the statute as a whole.
4. It is proposed, therefore, to follow the latter alternative, which is that recommended by Counsel, that the Courts and Legal Services Bill should be used as a vehicle to insert into the statute a new clause, specifically designed to

cover relationships within Chambers, and including the actions of barristers' clerks.

5. The one remaining question is which is the appropriate place in the statute for the new clause. The alternatives are to place it in Part II, which contains provisions covering employment, partnerships and qualifying and vocational training bodies or to use Part III, which covers, amongst other matters, the supply of goods, facilities and services. The main practical difference between the Parts is that complaints under Part II are heard in Industrial Tribunals, whilst under Part III they are heard in county courts. The workload generated by these provisions is not, however, likely to be substantial and neither is there any reason in principle why one or other forum is to be preferred. It is proposed therefore that the question as to which is the appropriate Part of the Act for the provision covering pupillages and tenancies should be put to Parliamentary Counsel to decide, as a matter of law and drafting, though it seems more likely that he will place the provision in Part II.

Sex Discrimination within the Bar

6. It is proposed that sex discrimination against a current or prospective pupil or other member of chambers should be incorporated into the Sex Discrimination Act 1975 by means of a specific new clause in exactly the same way as is proposed for race discrimination above. It is possible for the proposed amendments to mirror each other here because the Race Relations Act 1976 is modelled on, and parallels, (with obvious exceptions) the Sex Discrimination Act 1975.

Race Discrimination by a solicitor against a barrister

7. At present a barrister cannot bring proceedings under the Race Relations Act 1976 against a solicitor who refuses to instruct him on racial grounds. The provisions of the Act do not apply because solicitors do not employ barristers and a barrister cannot be said to seek the facility of instructions from a solicitor. Both the Bar Council and the Law Society have indicated that they wish discrimination by solicitors against barristers on the grounds of race to be unlawful under the Race Relations Act.
8. It is proposed, for similar reasons to those stated above, that a specific clause be inserted into the Act to include solicitor/barrister relationships. The exact placing of the clause in the Act will, again, be a matter for Parliamentary Counsel, though the arguments here seem more finely balanced between the two parts of the Act.
9. There is one issue on which the views of the Bar Council and the Law Society differ: Under Part II of the Act there is an exemption which provides that it is not unlawful to discriminate in relation to employment if it is a "genuine occupational qualification" of a job that a person be of a particular race. (An Industrial Tribunal must find that

such a genuine occupational qualification is "justifiable" to allow the act of discrimination not to be considered unlawful.)

10. The Bar Council's view is that there should be no exemption for genuine occupational qualification, as it might be perceived as giving white solicitors authority to discriminate against black barristers and could worsen the current ghettoisation of black barristers in certain categories of case. The Law Society, however, is of the view that there should be incorporated into any amendment an exception where it could be argued that it is a genuine occupational qualification for a barrister to be of a particular ethnic origin. It is likely that, were the exemption to be incorporated, it would be used by black solicitors to insist upon black counsel in cases involving allegations of racial discrimination.
11. There are several difficulties with following the Law Society's approach. First, the exemption for genuine occupational qualification arises in the statute only in relation to employment. There is no provision for an exemption of this kind in Part III of the Act, which is where Parliamentary Counsel might propose to deal with solicitor/barrister relationships. The incorporation of an exemption into Part III might involve unbalancing the statute, therefore, and would repercuss upon other groups who argue that an exemption should be available in other relationships currently dealt with under Part III. Secondly, accepting that a genuine occupational qualification is necessary involves the acceptance of the premise that persons are best represented by a barrister of their own colour. This would have negative implications for the criminal justice system as a whole, as it would raise the issue of race in relation to juries, judges and prosecutors. Thirdly, the proposal that no genuine occupational qualification should be allowed accords with the Bar's role as a referral profession which does not provide "personal" services in the same way that a solicitor does, but which instead provides detached and independent professional advice.

Sex Discrimination by solicitors against barristers

12. The Sex Discrimination Act 1975 does not apply to the solicitor/barrister relationship for the same reasons that the 1976 Act does not apply. Again it is proposed that a parallel, free standing clause be inserted into the 1975 Act in the same way as it is proposed to do for race.
13. The question of an exemption analogous to a genuine occupational qualification arises also in relation to sex discrimination. There is a body of opinion which believes that in certain civil cases it should be possible for a client to specify a barrister of their own sex. Examples concern civil proceedings arising out of rapes and sexual assaults and proceedings for medical negligence where the injuries are of a personal or intimate nature. It is not,

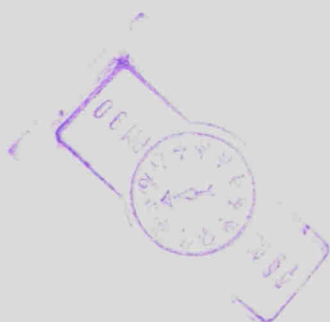
however, proposed to allow such an exemption. It could give rise to the same unbalancing effects in the Sex Discrimination Act as in the Race Relations Act if the exemption were incorporated into Part III and result in the ghettoisation of women barristers into certain categories of case.

14. In addition, it must be borne in mind that to allow an exemption in relation to sex discrimination alone would be presentationally difficult. It is also unrealistic to assume that any such exemption would afford a client protection from questioning by a barrister of the opposite sex, since this might very well come from the other side in Court. Moreover, the majority of questioning on personal matters that may need to be undertaken in preparing a case will be carried out by the solicitor in preparing the brief for the barrister, so that this argument for allowing a client to choose the sex of her/his barrister also appears not to suffice. (If a client wants a female solicitor, she can of course simply go to one). This approach appears to be consistent with the policy behind the statute and existing case law which makes it clear that customer preference is no excuse for discrimination.

Conclusion

15. It is proposed that Parliamentary Counsel be instructed to draft along the lines above, with a view to incorporating the new clauses as amendments to the Courts and Legal Services Bill at Commons Committee Stage.

Lord Chancellor's Department
Trevelyan House
30 Great Peter Street
London SW1
26 March 1990





RA

CPX

Prime Minister 2

QUEEN ANNE'S GATE LONDON SW1H 9AT

Reflects the new approach
to grants for ethnic minorities
which you indicated last summer.

13 March 1990

Rec 6
14/3

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Dear Lord President

SECTION 11 OF THE LOCAL GOVERNMENT ACT 1966

Your letter of 20 February confirmed H Committee's agreement to the proposals for the new grant administration proposals, including the greater diversification to the voluntary sector. I propose to announce these proposals at 11 am on 14 March to be followed that afternoon by an arranged Parliamentary Question. The announcement will herald the start of the consultation period which will run to 1 June.

Will request if required

... I enclose the press announcement and Parliamentary Question with which I propose to make the announcement.

I am copying this letter to the Prime Minister, members of H Committee, the Attorney General and Sir Robin Butler.

Yours sincerely

Sir John Gubbins

The Rt Hon Sir Geoffrey Howe, QC, MP
Lord President of the Council
Privy Council Office
10 Downing Street
London SW1A 2AA



Home Office

NEWS RELEASE

50 Queen Anne's Gate London SW1H 9AT
(Night line 01-273 4595)

Contact Numbers:

14 March 1990

01-273-4600

NEW ARRANGEMENTS FOR SECTION 11 FUNDING

GOVERNMENT'S RESPONSE TO SCRUTINY REPORT

The Home Secretary, the Rt Hon David Waddington QC MP, today announced new proposals for grants for ethnic minorities under Section 11 of the Local Government Act 1966. The new arrangements, on which the communities and local authorities will now be consulted, are the outcome of the Government's consideration of last year's Scrutiny Report into the workings of the grant. In 1988/89, the latest year for which figures are available, some £89 million was paid out in grant; provision of £110 million has been secured for 1990/91.

The Home Secretary said:

"Our ethnic minorities make a substantial contribution to this country. The Government is committed to equality of opportunity and good community relations. Barriers which prevent ethnic minorities from making their full contribution to the life of the country must be broken down. The reforms we propose are designed to enable Section 11 to make a major contribution to this objective. The grant has an important role to play in enabling people from the ethnic minorities to participate fully in the mainstream of British life. This is the Government's prime objective in the reforms proposed for the policy and administration of the grant in the light of the Scrutiny Report."

The Scrutiny Report indicates that new legislation will be needed for any fundamental reform of Section 11. The Government agrees it is desirable to make the existing legislation more relevant to current needs, but believes that much can be done, in advance of any possible legislative change, to improve the way Section 11 funding is administered. The main changes in funding arrangements set out in the draft circular are:

- the emphasis of the grant in future will be put on practical projects working to identified needs, such as a lack of English language or low achievement in schools, and local authorities will in future bid for funding for projects to be judged against such specific criteria;

- all projects will have to be regularly monitored and reviewed against recognisable performance targets;
- in advance of formal legislative change arrangements are being made for some Section 11 funding to be redirected to innovative projects that tackle ethnic minority need, to be sponsored by the new Training and Enterprise Councils (TECs), with Task Forces and City Action Teams in support;
- local authorities will be strongly encouraged to work with voluntary organisations and to identify a proportion of projects for the voluntary sector;
- new administrative arrangements would come into effect on 1 October 1991. Bids for funding will be invited on an annual basis to a fixed timetable.

The new arrangements will allow for wider and more innovative proposals, but existing projects will still be able to continue if they are brought within the new criteria. To increase effectiveness, all projects, whether local authority or voluntary sector based, will need to set clear objectives for achievement. For example, specific objectives for Section 11 funding in education are:

- to give school age children whose mother tongue is not English a command of English and to help them achieve at the same level as others in their age group in all areas of the curriculum;
- to strengthen ties between schools and the parents of ethnic minority pupils, where those ties are hard to establish because of parents' lack of English or because of cultural factors;
- to give ethnic minority adults, who have an inadequate command of English or who lack numeracy or literacy skills, sufficient knowledge and skills to compete for jobs and participate fully in the mainstream of national life.

Some specific objectives in the area of employment, training and enterprise are:

- to increase the awareness and take up of the range of educational and employment opportunities by young people from ethnic minorities and to advise employers and community groups on the potential and training needs of such people;

- to secure better take up by ethnic minorities of small business support services to promote the creation and growth of small firms and self-employment.

The grant can help ethnic minorities in need in a number of ways by providing or aiding the provision of:

- services that cater for the particular problems faced by ethnic minority women and their children, for example, family and womens' refuges and maternity social workers;
- social workers able to give help to ethnic minorities who are isolated, speak and write little or no English and experience cultural barriers to full use of services of the elderly; advice on fostering and adoption and help in the case of mental and physical illness.

The proposals in the circular will encourage the widest take-up in grant while at the same time ensuring that grant-seekers do not become wholly dependant on funding.

NOTES TO EDITORS

1. The scope of any legislative change would need to be carefully considered but would be likely to include aspects such as the removal of restriction on the payment of grant to Commonwealth citizens only, the statutory provision for other than local authorities to be grant recipients and the general scope of the grant.

2. Section 11 funding is the main source of funding for local authority provision specifically aimed at tackling the disadvantages experienced by ethnic minorities. Policy and procedures for the administration of Section 11 have developed considerably since the Local Government Act 1966 came into operation but concern has been expressed that the arrangements by which the grant is payable should be examined in detail.

3. Section 11 of the Local Government Act 1966 enables the Home Secretary to pay grants to local authorities who in his opinion are required to make special provision in the exercise of any of their functions by reason of the presence of significant numbers of Commonwealth immigrants whose language or culture differs from that of the rest of the community.

4. Section 11 grant is payable only in respect of local authority staffing costs at a rate of 75% of expenditure. In 1988/89, the latest year for which figures are available some £89 million grant was paid. That provision will rise to £110 million for 1990/91. The grant presently supports some 12,000 posts. About 80% goes to education, mainly in the teaching of English, with lesser funding going to social services, housing, business and employment among others.

5. The Section 11 Scrutiny Report was published on July 3, 1989.

6. Press copies of the draft circular are available from the Home Office press office. Copies of the draft circular to local authorities and appropriate consultation documents may be obtained from Ethnic Minority Grants (Section 11), I Division, Room 1286, Home Office, 50 Queen Anne's Gate, London SW1 9AT.

DRAFT ARRANGED PARLIAMENTARY QUESTION

[Mr Jonathan Sayeed]: to ask the Secretary of State for the Home Department if he has completed his consideration of the Scrutiny Report into Grant to Ethnic Minorities under Section 11 of the Local Government Act.

REPLY

I have today published my proposals for the improved administration of Section 11 grant in the form of a draft circular to local authorities on which I am inviting comments. Copies have been placed in the library of the House.

The new arrangements are the outcome of the Government's consideration of the Scrutiny Report into the workings of the grant. Some £89m section 11 grant was paid out in 1988/89 (the latest year for which figures are available); provision of £110m has been secured for 1990/91.

Our ethnic minorities make a substantial contribution to this country. The Government is committed to equality of opportunity and good community relations. Barriers which prevent ethnic minorities from making their full contribution to the life of the country must be broken down. The reforms we propose are designed to enable section 11 to make a major contribution to this objective. The grant has an important role to play in enabling people from the ethnic minorities to participate fully in the mainstream of British life. This is the Government's prime objective in the reforms proposed for the policy and administration of the grant in the light of the Scrutiny Report.

The Scrutiny Report indicates that new legislation will be needed for any fundamental reform of section 11. The Government agrees it is desirable to make the existing legislation more relevant in certain areas, but believes that

What can be done, in advance of any possible legislative change, to improve the way section 11 funding is administered. The main changes in funding arrangements set out in the draft circular are:

- the emphasis of the grant in future will be put on practical projects working to identified needs, such as a lack of English language or low achievement in schools and local authorities will in future bid for funding for projects to be judged against such specific criteria;
- all projects will have to be regularly monitored and reviewed against recognisable performance targets;
- in advance of formal legislative change arrangements are being made for some section 11 funding to be redirected to innovative projects that tackle ethnic minority need, to be sponsored by the new Training and Enterprise Councils (TECs), with Task Forces and City Action teams in support;
- local authorities will be strongly encouraged to work with voluntary organisations and to identify a proportion of projects for the voluntary sector;
- new administrative arrangements would come into effect on 1 October 1991. Bids for funding will be invited on an annual basis to a fixed timetable.

The new arrangements will allow for wider and more innovative proposals, but existing projects will still be able to continue if they are brought within the new criteria. To increase effectiveness, all projects, whether local authority or voluntary sector based, will need to set clear objectives

● achievement. For example, specific objectives for Section 11 funding in education are:

- to give school age children whose mother tongue is not English a command of English and to help them achieve at the same level as others in their age group in all areas of the curriculum;
- to strengthen ties between schools and the parents of ethnic minority pupils, where those ties are hard to establish because of parents' lack of English or because of cultural factors;
- to give ethnic minority adults, who have an inadequate command of English or who lack numeracy or literacy skills, sufficient knowledge and skills to compete for jobs and participate fully in the mainstream of national life.

Some specific objectives in the area of employment, training and enterprise are:

- to increase the awareness and take up of the range of educational and employment opportunities by young people from ethnic minorities and to advise employers and community groups on the potential and training needs of such people;
- to secure better take up by ethnic minorities of small business support services to promote the creation and growth of small firms and self-employment.

The grant can help ethnic minorities in need in a number of ways by providing or aiding the provision of:

- Services that cater for the particular problems faced by ethnic minority women and their children eg family and womens refuges and maternity social workers.

- Social workers able to give help to ethnic minorities who are isolated, speak and write little or no English and experience cultural barriers to full use of services of the elderly; advice on fostering and adoption and help in the case of mental and physical illness.

The proposals in the circular will encourage the widest take-up in grant while at the same time ensuring that grant-seekers do not become wholly dependant on funding.

JD/273



cel J.



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon David Waddington QC MP
Home Secretary
Home Office
50 Queen Anne's Gate
London
SW1H 9AT

nbk
Recd
2/2

19 February 1990

Dear Home Secretary,

COMMONWEALTH IMMIGRANTS GRANT: SECTION 11

final

I have seen your minute of 29 January to the Prime Minister concerning the administration of Section 11 grant, and the recent correspondence from No. 10 and John MacGregor.

2 I fully support your argument that responsibility for the grant should be retained by the Home Office until the new arrangements are given a chance to settle down. My own view is that, in the longer term, it might well be sensible to shift responsibility for educational expenditure under Section 11 to the Department of Education, but we can look at that when we review the position.

3 I very much hope you will ensure that the potential advantages of retaining single overall responsibility is realised and made fully effective, leading to improved co-ordination, more positive and relevant spending priorities and a strong emphasis on the appraisal and monitoring of expenditure including performance criteria wherever possible. This will be essential no matter how responsibilities are settled if we are to gain the maximum impact and recognition for our policies under Section 11.

4 I am copying this letter to the Prime Minister, other members of H Committee and Sir Robin Butler.

Yours sincerely
Bleen Campbell

pp **NORMAN LAMONT**
(Approved by the Chief Secretary
and signed in his absence)

HOME AFFAIRS: Raw Keli
PR2





DB
ECL

bc PU

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

16 February 1990

Dear Stephen,

Section 11 of the Local Government Act 1966

My letter of 7 February to Colin Walters at the Home Office crossed with your Secretary of State's minute to the Prime Minister of the same date.

The Prime Minister is content that a further review of Ministerial responsibilities for the education component of Section 11 grant should be envisaged after a year of operation of the new arrangements, ie in October 1992. She does not consider that a final decision need be taken about this now and will leave it to the Home Secretary or your Secretary of State to revive the proposal nearer the time. In any case, she believes that it will continue to be necessary to retain flexibility in responding to growth in the voluntary sector's share in funding this activity and that any division of public expenditure responsibility for Section 11 would need to contain arrangements to accommodate this.

The Prime Minister takes it that your officials will pursue the points in paragraph 4 of your Secretary of State's minute with Home Office officials.

I am copying this letter to Tim Sutton (Lord President's Office), John Gieve (Treasury), Stephen Williams (Welsh Office), Martin Stanley (Department of Trade and Industry), Andy McKeon (Department of Health), Colin Walters (Home Office), Roger Bright (Department of the Environment), Clive Norris (Department of Employment), and Sonia Phippard (Cabinet Office).

Yours,
Paul

Paul Gray

Stephen Crowne, Esq.,
Department of Education and Science.

ct

PRIME MINISTER

SECTION 11 GRANTS

Last week you decided, following advice from Robin Butler, that Ministerial responsibility for all Section 11 grants to ethnic minorities should stay with the Home Office for the time being, and that the earlier idea of transferring responsibility for education grants to the DES should not be pursued at this stage.

My letter recording your decision crossed in the post with a further minute from John MacGregor. Following the earlier exchanges he accepted that there should be no change in Ministerial responsibilities at present. But he suggested that there should be a further review of the position a year after the operation of the new Section 11 arrangements, i.e., in October 1992.

Robin Butler has now provided the further attached advice recommending you should accept there could be such a review, but without committing yourself at this stage.

Content for me to minute out in the terms recommended by Robin Butler?

RMG.

PG

15 February 1990

jd c:section11

Yes

MR GRAY

Section 11 Grants

You asked for ^{Gray} further advice on the Education Secretary's minute of ~~7~~ February, which crossed with your minute of the same date recording the Prime Minister's decision not to transfer Ministerial responsibility for the education component of S11 grant for the time being.

2. I agree that the points in Mr MacGregor's letter concerning the arrangements for administration of grant can be left to the Departments, and that the only issue on which the Prime Minister needs to respond is the proposal for a review of the case for transfer of responsibilities to take place a year after the introduction of the new arrangements on 1 October 1991 (ie in October 1992).

3. Although the case for preserving maximum flexibility to promote take up of grant by the voluntary sector is not likely to change, and may continue to point towards retention of overall responsibility for PES in the Home Office, it may be that experience of the new arrangements will reinforce the DES case to have final responsibility for administration of education-related grants.

4. I recommend therefore that the Prime Minister assents to the Education Secretary's proposal provisionally, without taking --- a final view at this stage. I attach a draft reply to this effect.

mt
R.R.B.

ROBIN BUTLER

14 February 1990

DRAFT LETTER TO THE PRIVATE SECRETARY TO THE SECRETARY OF STATE
FOR EDUCATION AND SCIENCE

Section 11 of the Local Government Act 1966

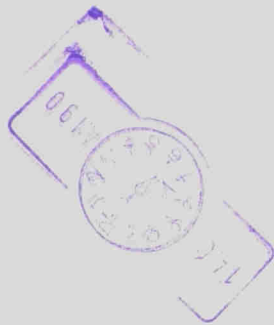
My minute of 7 February to Colin Walters at the Home Office crossed with your Secretary of State's minute to the Prime Minister of the same date.

The Prime Minister is content that a further review of Ministerial responsibilities for the education component of Section 11 grant should be envisaged after a year of operation of the new arrangements, ie in October 1992. She does not consider that a final decision need be taken about this now and will leave it to the Home Secretary or your Secretary of State to revive the proposal nearer the time. In any case, she believes that it will continue to be necessary to retain flexibility in responding to growth in the voluntary sector's share in funding this activity and that any division of public expenditure responsibility for Section 11 would need to contain arrangements to accommodate this.

The Prime Minister takes it that your officials will pursue the points in paragraph 4 of your Secretary of State's minute with Home Office officials.

I am copying this letter to Tim Sutton (Lord President's Office), John Gieve (Treasury), Stephen Williams (Welsh Office), Martin Stanley (Department of Trade and Industry), Andy McKeon (Department of Health), Colin Walters (Home Office), Roger Bright (Department of the Environment), Clive Norris (Department of Employment), and Sonia Phippard (Cabinet Office).

HONG KONG AFFAIRS - Race Relations Pt 2





10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

file GAM

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Sec II

bc: B9

SIR ROBIN BUTLER

SECTION 11 OF LOCAL GOVERNMENT ACT 1966

My letter of yesterday's date to the Home Office recorded the Prime Minister's decision, in line with your advice, that responsibility for Section 11 grants should for the time being remain with the Home Office. That letter crossed in the post with the further minute, also dated 7 February, from the Secretary of State for Education and Science to the Prime Minister.

The comments in my letter about consultation on education applications do I think meet the point raised in paragraph 4 of Mr MacGregor's minute. That just leaves the issue in his paragraph 3 of whether a firm date should now be set for a review of the arrangements. I should be grateful for advice on how the Prime Minister should respond to that point.

Rec.

PAUL GRAY
8 February 1990

DTJ



PRIME MINISTER

SECTION 11 OF LOCAL GOVERNMENT ACT 1966

The Home Secretary sent me a copy of his minute to you of ~~29~~ ^{WITH LG} January.

2. I set out the arguments for a transfer to my Department of section 11 "education spend" in my letter to the Lord President of 19 January. I would not press for such a transfer against your, and David Waddington's, judgement, but I would wish to make two important points about the new arrangements which David envisages.

3. I welcome David's suggestion that once the new arrangements are firmly in place, the case for formal transfer could be reconsidered. It would, I think, be helpful if we could decide now on the date for such a review. I suggest that it should take place after a year of the operation of the new arrangements, which David has proposed should be introduced on 1 October 1991. Such a timetable would enable the review to be based on sufficient evidence of the new arrangements in practice.

4. I am glad to note the value which David attaches to the expertise which other Departments can offer to his Department's administration of section 11. It will be particularly important in the early stages of the new arrangements that my Department is consulted by the Home Office on all education applications, rather than 10% or so, as at present. So far as education is concerned, the Home Office section 11 unit will be operating on the basis of a Policy Statement prepared by my Department. It would therefore be

Sensible for my officials to be involved in considering applications against the criteria set out in that statement; and in the subsequent monitoring of funded projects. My Department's direct knowledge of CTCs and GM schools - now eligible to apply for section 11 grant - will be of particular help in assessing applications from those quarters. I think there is a case for a specific financial allocation for these institutions, and I shall ask my officials to pursue with David's how this might be put in place.

5. I trust that David Waddington can agree to these propositions.

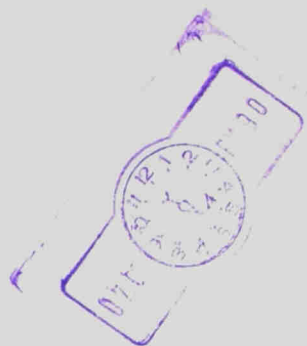
6. I am sending copies of this minute to the Home Secretary and to the other recipients of his.



JM

DEPARTMENT OF EDUCATION AND SCIENCE

7 FEBRUARY 1990





*me eel
cel*

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

7 February 1990

Dear Colin,

SECTION 11 OF LOCAL GOVERNMENT ACT 1966

The Prime Minister was grateful for the Home Secretary's minute of 29 January. She has also seen the letter of 19 January from the Secretary of State for Education and Science to the Lord President and the Secretary of State for Employment's minute of 6 February.

The Prime Minister agrees with the Home Secretary's recommendation that for the time being responsibility for the administration of Section 11 grant should remain with the Home Office. She assumes that the Department will continue to liaise closely with the Department of Education and Science on the assessment of education grants.

I am copying this letter to Tim Sutton (Lord President's Office), John Gieve (H.M. Treasury), Stephen Williams (Welsh Office), Martin Stanley (Department of Trade and Industry), Andy McKeon (Department of Health), Stephen Crowne (Department of Education and Science), Roger Bright (Department of the Environment), Clive Norris (Department of Employment), and Sonia Phippard (Cabinet Office).

*Yours
Paul*

Paul Gray

Colin Walters, Esq.,
Home Office.

Paul



Secretary of State
for Employment

Cc: CCAs

PRIME MINISTER

SECTION 11 OF LOCAL GOVERNMENT ACT 1966

file under PG?

I have seen David Waddington's minute to you of 29 January concerning departmental responsibility for the administration of grant under section 11. I agree with David's conclusion that, at least initially, responsibility for the administration of section 11 grant should be retained by the Home Office. In addition to the benefits David sets out in his minute, keeping responsibility with the Home Office will also help ensure and demonstrate even-handed treatment in the processing and monitoring of applications made by Training and Enterprise Councils and local authorities alike.

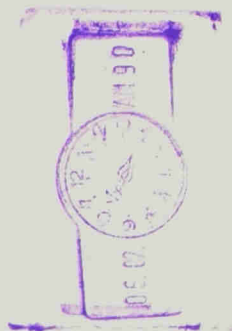
I am copying this minute to the Lord President, the Home Secretary, the Secretaries of State for Education and Science, Trade and Industry, Environment, Health and Wales, the Chancellor of the Exchequer and Sir Robin Butler.

M. H.

M H

6 February 1990

HOME AFFAIRS Kuala Lumpur 11/2



CONFIDENTIAL

PRIME MINISTER

SECTION 11 GRANT: MINISTERIAL RESPONSIBILITIES

Last summer you held a meeting with colleagues to discuss the future arrangements for grants to ethnic minorities under Section 11 of the Local Government Act 1966. You emphasised the need to ensure greater involvement of the voluntary sector, and asked the Lord President to carry the work forward in H Committee. You indicated that you would consider at a later stage whether or not any change in Ministerial responsibilities was appropriate.

The work on the substantive policy issues has now been satisfactorily completed by H Committee. Your objective of greater diversification to the voluntary sector has been achieved. The outcome was summarised in the Home Secretary's letter to the Lord President of 20 December (Flag A).

I have not troubled you with this before as I was awaiting further views on the issue of Ministerial responsibility. At present Ministerial responsibility for all Section 11 grant rests with the Home Office. The original proposal put forward last summer by the then Home Secretary was that, since local authorities spent some 80 per cent of Section 11 grant for education purposes, it made sense to transfer responsibility for that element to the Department of Education and Science Ministers. You did I think have concerns about this at that time, but deferred a decision until the substantive policy was sorted out.

The present Home Secretary has now reconsidered the position (Flag B). He takes the view that, given the changes now agreed for Section 11 arrangements - in particular drawing in the voluntary sector - it would be better for the time being to leave the Ministerial responsibilities unchanged. He is supported in this by Michael Howard (Flag C) who thinks that keeping responsibility with the Home Office will help ensure even-handed treatment in processing applications for grant by the TECs and

CONFIDENTIAL

local authorities. Sir Robin Butler (Flag D) also supports no change, while noting that the Home Office could continue to refer assessments of education grants to DES.

In an earlier letter, however, John MacGregor (Flag E) continued to favour a transfer of responsibility to DES.

Content to agree maintaining the status quo on Ministerial responsibility for the time being, while urging the Home Office to continue to liaise closely with DES on the assessment of education grant?

REC.

PG

6 February 1990

ecl c:section11

Y
es
mt

D D CC PH

Ref. A090/315

MR GRAY

Section 11 Grant : Ministerial Responsibilities

flat
The Home Secretary's minute to the Prime Minister of 29 January withdraws the proposals made by his predecessor last May to transfer responsibility for the education element of Section 11 (S11) grant to the Education Secretary, with consequential transfers to the Welsh Office.

2. The Home Secretary points out that the policy emphasis has changed since his predecessor made the initial proposal. He believes that the objective of more positive and active management of the grant, and in particular the need to draw in the voluntary sector, will be more readily achieved by unified administration of the grant. The expertise of the Department of Education and Science can be drawn in as necessary by administrative arrangements.

3. The Education Secretary, in his earlier letter of 19 January to the Lord President, repeated his belief that a transfer of responsibility for education S11 grants, together with the necessary PES transfer, would help to secure maximum value for money and successful targeting of grant in the education sector.

4. The Prime Minister wished to take the decision on departmental responsibility in the light of the further work she commissioned in July. In the light of the approach now adopted, I recommend, in line with the Home Secretary's recommendation in his minute of 29 January, that it would be appropriate to

maintain the present allocation of responsibilities, at least for the time being. The proportion of grant which will in future be directed through the new network of Training and Enterprise Councils to the voluntary sector for employment projects will not be easy to plan ahead, and Ministers will wish to retain maximum flexibility to expand provision in this area as fast as worthwhile projects come forward. It would be more difficult to do this if public expenditure provision for S11 grants had been split between Departments. Retaining overall responsibility in the Home Office can be combined with continuing to refer assessment of education grants to DES officials and Ministers, which should enable them to ensure that the retargeted S11 grants relate coherently to other educational initiatives.

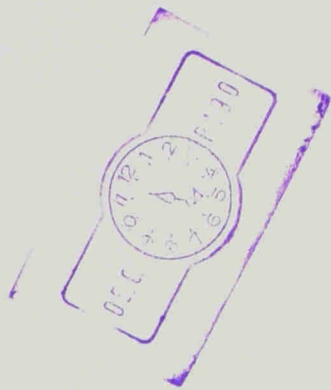
5. The Home Secretary does not close the door on a review of Departmental responsibilities once the new arrangements are firmly in place.

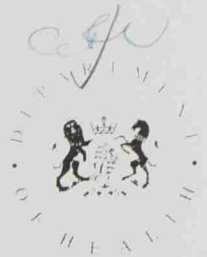
6. I recommend that the Prime Minister agrees that responsibilities should not be changed for the time being.

R.B.

ROBIN BUTLER

5 February 1990





The Rt Hon David Waddington QC MP
Home Secretary
Home Office
50 Queen Anne's Gate
London
SW1H 9AT

Richmond House
79 Whitehall
London SW1A 2NS
Telephone 01 210 3000
From the Secretary of
State for Health

MBM

REG

ur

David

02 FEB 1990

SECTION 11

Thank you for copying to me your letter of 20 December 1989 to Geoffrey Howe, in which you outlined the proposals for accelerating the timescale for introducing the new arrangements and described the means of encouraging voluntary sector participation.

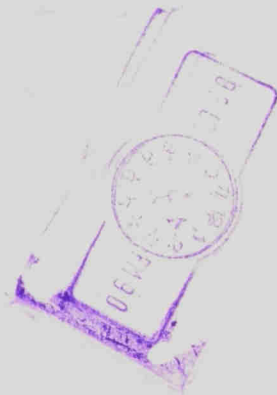
I am content with both proposals. I am particularly pleased that an effective way seems to have been found of circumventing some of the restrictions which apply to Section 11 while ensuring that the money diverted from local authority channels is still used to benefit ethnic minorities.

Copies of this letter go to the recipients of yours.

flap
[Handwritten signature]

KENNETH CLARKE

HOME AFFAIRS: Race Relations pr 2.





QUEEN ANNE'S GATE LONDON SW1H 9AT

31 January 1990

Le Geary

SECTION 11

I wrote to you on 20 December about new arrangements for grant under section 11 of the Local Government Act 1966 enclosed with my letter of 20 December. The responses so far have welcomed the proposals. I have now seen John MacGregor's letter to you of 19 January. I welcome the general agreement which John also expresses for the proposals. He makes a number of detailed points about them. In order to enable us to get ahead with announcing the new arrangements it may be helpful if I comment straightaway on his points.

John questions the proposals to fund Training and Education Council-sponsored projects at a rate higher than the normal 75%. I agree that the 75% rate should apply in the great majority of cases. The proposed diversification to the voluntary sector must, however, be handled as flexibly as possible in the early stages while the new possibilities are explored with the voluntary sector, and I am convinced that the possibility of funding at a higher rate in exceptional cases is necessary in order to give that flexibility. The ability of TECs to contribute financial support to section 11 projects is certainly something to be reviewed in the light of experience in the pilot phase as both the new arrangements and the TECs themselves get underway.

As for monitoring, in principle TEC applications will have to follow the same form as local authority applications, incorporating objectives and arrangements for monitoring. The enhanced section 11 team will play an active role in supervising the monitoring of projects sponsored by the voluntary sector just as they will local authority-sponsored projects. Given the fact that TECs will be establishing themselves during the pilot phase, the section 11 team will need to pay particular regard to this during that period.

On the allocation arrangements, we shall need to set initial provision during the coming PES round. The starting point will be the current allocations and, given the uncertainties involved

The Rt Hon Sir Geoffrey Howe, QC., MP.
Lord President of the Council
WHITEHALL, S.W.1.

/over.....

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Pt 2

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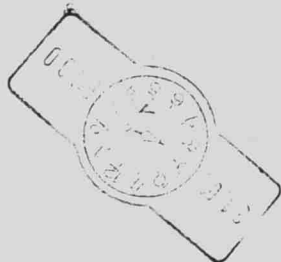
uncertainties involved in the transition to new arrangements, will have to be set as flexibly as possible. Virement from the local authority provision to TEC provision is, with appropriate Treasury authority, a possibility. It will be important to set the TEC provision at a realistic level, increasing it if experience shows that this is right.

I am glad to see that John acknowledges that existing section 11 provision which does not meet the new criteria must be removed, thereby making funds available for projects which do meet the new criteria. I acknowledge in turn that the contribution which section 11 grant will make to education provision, including applications from new institutions, will continue to be an important part of its role.

So far as bidding arrangements are concerned, I agree with John that as a normal rule applications must be expected to comply with the overall timetable so that priorities can be properly compared. I agree that flexibility through allowing late applications outside the set timetable should only be available, whatever the source of the application, in exceptional cases.

I note what John says about responsibility for administering the new arrangements. I have minuted the Prime Minister separately on this.

I am copying this letter to the Prime Minister, members of H Committee, the Attorney General and Sir Robin Butler.





Handwritten initials and scribbles, including a large 'B' and a signature-like mark.

PRIME MINISTER

SECTION 11 OF LOCAL GOVERNMENT ACT 1966

You will know from my letter of 20 December to the Lord President that officials have developed proposals under the supervision of H Committee for the more effective use of section 11 funding on lines proposed at your meeting on 27 July last year. In particular arrangements for diversifying funding to the voluntary sector, including arrangements for channelling funding through the new Training and Enterprise Councils, supported by City Action Teams, have been developed.

In the light of this I have reconsidered the proposal which my predecessor originally made in his letter of 11 May that Departmental responsibility for section 11 grant allocated for educational purposes should be transferred to the Department of Education and Science, with consequential transfers to the Welsh Office. This is, of course, a machinery of Government issue for you to decide in the light of the final arrangements: and it may help if I set out the position as I now see it.

Douglas Hurd obviously took the view that as local authorities spent up to 80% of section 11 grant for education purposes, it made sense to see that education expertise was brought to the allocation of grant and the monitoring of its use. On the other hand, the scrutiny identified a need for Government to play a much more positive and active role in developing and implementing the policy for the use of section 11 grant: and you emphasised the need to draw in the voluntary sector in advance of legislation to amend section 11. If this is to be achieved there must be co-ordinated direction of the policy and its administration, or we won't get maximum value from the use of the grant by local authorities, TECs and the voluntary sector.

I have seen John MacGregor's comment in his letter of 19 January to Geoffrey Howe and I know that he is concerned to ensure that the necessary resources which section 11 grants bring to the education system are retained. The provision of English language teaching continues to be important in enabling the ethnic minorities to make their proper contribution to the life of the country, and I naturally accept that there will continue to be the need for adequate educationally directed section 11 provision. All this, however, will need to be carefully managed, particularly in the light of the arrangements now developed involving the developing and increasing contribution by TECs and the voluntary sector. These considerations seem to me to point to retaining, initially at least, single administration of section 11 grant:

2.

- (1) administration by a single section will enable the use of grant to be developed with the greatest flexibility to ensure that new priorities are met and superseded expenditure redeployed to maximum effect;
- (2) a single point of reference will be clearer for local authorities, TECs and the voluntary sector;
- (3) allocation of grant to TECs, for which separate PES provision will have to be made - itself a complication - needs flexible and co-ordinated arrangements for the overall administration of grant;
- (4) encouragement of use of grant by the voluntary sector can best be done by central administration;
- (5) development of new, more positive policies for the use of section 11 grant can best be undertaken by a single section in the department of the Home Office with expertise in ethnic minority issues;
- (6) unified administration will make it easier to gain maximum recognition for the improvements we intend to bring about.

The need for education expertise (and expertise in the fields for which other Departments are responsible) can be achieved by close co-operation between the central section 11 administrative section and the Departments concerned. These should include administrative arrangements for referring grant decisions as appropriate. And, once the new arrangements are firmly in place, the case for formal transfer could be reconsidered.

I accordingly recommend that in the initial introduction of the new arrangements at least responsibility for the administration of section 11 grant should remain with the Home Office.

I am sending copies of this minute to the Lord President, the Secretaries of State for Education & Science, Trade & Industry, Employment, Environment, Health and Wales, the Chancellor of the Exchequer and Sir Robin Butler.



29 January 1990

HONG KONG AFFAIRS : 1961





ELIZABETH HOUSE
YORK ROAD
LONDON SE1 7PH
01-934 9000

The Rt Hon Sir Geoffrey Howe QC, MP
Lord President of the Council
Privy Council Office
68 Whitehall
LONDON SW1

NBM
at this stage.

19 January 1990

RAC
19/1

Dear Sir

SECTION 11

Imp.
I was most interested to see the proposals in David Waddington's letter of 20 December, which have been developed since the H Committee meeting on 27 September.

It is important that sponsorship by local authorities should not be the sole route to section 11 funding for voluntary sector organisations. I therefore welcome the role for TECs - initially on a pilot basis - envisaged in David's letter. I believe this proposal has the makings of a valuable addition to the section 11 framework, in advance of any amending legislation.

The new arrangements set out in David's letter thus meet our objective in H Committee of full voluntary sector participation. But I am not sure that they would be likely to achieve so fully value for money and effective targeting of provision. I would therefore like to suggest one or two adjustments with these objectives in view.

As regards value for money, I am not convinced that it would be right to give some TEC-sponsored projects more generous grant support than would be available to other projects, by paying more than 75% grant rate, and in support of all recurrent costs rather than staff costs only. The argument for so doing is evidently

that the absence of local authority involvement will mean that there is no supporting funding from that source. The same is also true, however, of Grant-Maintained schools, City Technology Colleges and PCFC institutions. In the case of TEC-sponsored projects I would have thought the TECs themselves might have been able to help - and such financial support by TECs would have the additional benefit of underwriting their commitment to the projects in question. In any event the "... presumption towards an early tapering of grant and time-limiting where appropriate" could force the issue of complementary financial support sooner or later during a project's life. The degree of TECs' financial support for section 11 projects could be looked at as part of the evaluation of the pilot stage of these arrangements.

Also on the theme of value for money, I am glad to see the proposal that monitoring of TEC-sponsored projects will be as rigorous as that proposed for local authority projects, while allowing for differences in the management of the two types of projects. But before new arrangements are agreed, it would be helpful if David could set out how this will work.

To achieve the objective of effective targeting of grant, we shall need to establish from the beginning, arrangements for the appropriate allocation of funds between section 11 grant proper and non-local authority grant for section 11 purposes. This is particularly important since I assume from David's letter that in-year virement between the two budget sub-heads is not envisaged.

As H Committee recognised, much could depend on the transitional arrangements. The transitional arrangements described at 5(11) of David's note go some way towards meeting the objective of effective targeting. I do think, however, that decisions on the extent of funds to be deployed to voluntary sector projects should pay explicit regard not only to existing "eligible" provision, but also to the probable scale of worthwhile new project applications from the new institutions we are establishing such as Grant-Maintained schools and City Technology Colleges, which are much more closely akin to the voluntary sector in that they are not under the aegis of local authorities. Existing section 11 provision which does not meet the new criteria should be rooted out. But we must ensure that the transitional arrangements do not have consequences we do not intend. For example I should be concerned about having to defend any reduction in the teacher:pupil ratio - particularly in our inner city areas.

I would expect that the facility to deal with applications outside the annual bidding cycle (as at 5(9) of the proposals in David's letter) might also be extended to local authorities, as well as to GM schools, CTCs and PCFC institutions. In any case, if funding is to be effectively targeted, applications should so far as possible be considered on a properly comparative basis. Consideration of applications, under either sub-head, outside the annual bidding cycle should therefore be undertaken on an exceptional basis only. Indeed, to the extent that we develop effective arrangements for allocation of section 11 funds between the two sub-heads, we should not need to resort to such exceptional arrangements.

David referred in his letter to the question of Departmental responsibilities for future administration of the grant. If we are to achieve success in targeting money in the major area of education where it is most needed, and ensuring that its grant secures maximum value for money, spend needs to be administered by those with most knowledge of the sponsors and most direct access to them. For that reason I continue to believe that there would be advantage in a transfer from the Home Office to my Department, together with the necessary PES transfer, of responsibility for section 11 education expenditure.

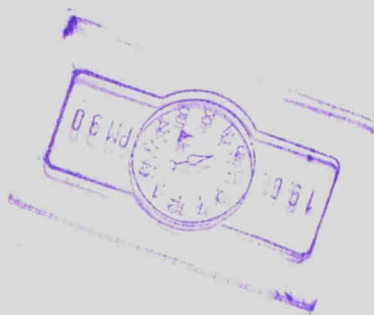
If we can now get the new arrangements agreed very soon I am content, in principle, that the new section 11 arrangements should be introduced in October 1991.

Copies of this letter go to David Waddington; and to the Prime Minister and the other recipients of his letter.

Yours ever,

JL





Home Affairs
Race Relations Pt 2.

No adv necessary until Home Secretary writes. Recd 19/1

CONFIDENTIAL

CABINET OFFICE	
A	629
19 JAN 1990	
FILING INSTRUCTIONS	
FILE NO

PS/SIR ROBIN BUTLER

c- Mr Gray (No 10)
for info

SECTION 11 FUNDING 19/1

File with COP

Some confusion seems to have arisen about the proposals for machinery of government change associated with the review of Section 11 grants. The proposal in July was that the Education Secretary should take over responsibility for education grants, and the Welsh Secretary for grants in Wales. At the Prime Minister's meeting on 27 July officials were asked to bring forward further proposals to accelerate the implementation of new arrangements for Section 11, to extend its availability to the voluntary sector, and to introduce a role for Training and Enterprise Councils and City Action Teams.

2. The Home Secretary minuted the Lord President with his proposals on 20 December. His minute recalls that the Prime Minister had deferred a decision on the question of departmental responsibility, until the further work now presented was complete. ^{Paul} Simon Gray's minute of 21 December called for further advice on the issue of departmental responsibility. On checking with Home Office officials whether the new Home Secretary saw any need to revise the proposals on Departmental responsibility in the light of the revised decisions on priorities for the grant, I was told that an opportunity had not yet arisen to take his mind. After Christmas I let you know that Mr Waddington had indeed reconsidered, and decided that the earlier proposals were inappropriate in the new context. He had asked for a draft minute to the Prime Minister, which was to be put to him through Mr John Patten, who in turn would, it was thought, wish to clear the lines with Mrs Rumbold in DES.

3. I understand that the Home Secretary is likely to write very shortly, to explain his views and withdraw both the proposal to pass responsibility for education grants to the DES, and the associated proposals to transfer responsibility for grants in Wales to the Welsh Office. As now the Departments would continue to be closely consulted before decisions were made on applications for grants in their areas.

4. The Home Secretary's revised decision seems sensible. The policy is to increase the voluntary sector's share of Section 11 grant. Allocating part of the resources for Section 11 to a DES vote would be likely to inhibit this objective. Mr Gray's minute suggests that the Prime Minister's reservations about the initial proposals were related to concern on a similar point.

CONFIDENTIAL

5. It therefore seems sensible to await the Home Secretary's further letter before the Prime Minister is asked to decide on the issue of Departmental responsibility. If further advice is needed, it should be based on the detailed arguments which the Home Secretary may be presenting, but I imagine the Prime Minister will be content to leave Departmental responsibilities as they are.



A D WHETNALL

18 January 1990.

• Race Relations
Hunt Aff
PL 2

cel/y



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon David Waddington QC MP
Home Secretary
Home Office
50 Queen Anne's Gate
London
SW1H 9AT

MRM

Proc 6

18/1

18 January 1990

Dear David

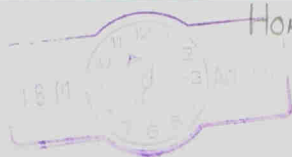
SECTION 11

Thank you for copying to me your letter of 20 ^{*Dec*} December to Geoffrey Howe seeking colleagues' agreement to arrangements for implementing the scrutiny report.

2 I am content with your proposals regarding both bidding arrangements and diversification of funding to the voluntary sector.

3 I am copying this letter to the Prime Minister, other members of H Committee and Sir Robin Butler.

Norman Lamont
NORMAN LAMONT



HONG AFFAIRS : case relation

PTZ



cc/p

2 MARSHAM STREET
LONDON SW1P 3EB
01-276 3000

My ref:

Your ref:

The Rt Hon David Waddington QC MP
Home Office
Queen Anne's Gate
LONDON
SW1

MBM & his stage.

RC 6

10 January 1990

of 1

Dear Home Secretary,

SECTION 11

Thank you for sending me a copy of your letter of 20 December to Geoffrey Howe about the next steps in implementing the report of the scrutiny.

I am content with the revisions to the timetable for the introduction of the new arrangements.

David Hunt and I agree with your proposed arrangements for widening the availability of S11 funding by using the Training and Enterprise Councils to channel assistance to the voluntary sector. This and the greater involvement of the City Action Teams should result in better targeting of S11 and in improved co-ordination with other initiatives, especially in the inner cities. However, it is important that the changes are presented positively and are seen as a complement to the role of the local authorities rather than a detraction from it. It will therefore be important for our officials to continue to work closely together on the introduction of the revised system.

I am copying this letter to the Prime Minister, other members of H and Sir Robin Butler.

Yours sincerely
[Signature]

PP CHRIS PATTEN

(Approved by the Secretary of State
and Signed in his Absence)



Home Affairs

Rau Belahim P+2



cel H

The Rt. Hon. Nicholas Ridley MP
Secretary of State for Trade and Industry

The Rt Hon David Waddington QC MP
Home Secretary
Queen Anne's Gate
LONDON
SW1H 9AT

Department of
Trade and Industry

1-19 Victoria Street
London SW1H 0ET
Enquiries
01-215 5000

Telex 8811074/5 DTHQ G
Fax 01-222 2629

Direct line 01 215 5622
Our ref PB3A1H
Your ref 9 Ja
Date

NB Pm & Min
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Dear

SECTION

Thank
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measures helping our inner city task forces meet their objectives even more effectively. I would wholeheartedly agree with you that the proposal offers a worthwhile way of extending the availability of Section 11 funding along the lines originally envisaged by the Prime Minister.

I was also particularly pleased to note that, as a consequence of revising the bidding arrangements, the timetable for implementing the proposal has been brought forward by 6 months. This is good news. The experience of our Task Forces shows that voluntary sector organisations have an important role to play in meeting the needs of ethnic minority groups. So, the sooner they can be brought on board, the better.

I am copying this letter to the Prime Minister, H Committee colleagues and to Sir Robin Butler.

Yours sincerely
Rosalind Goff

[approved by the Secretary of State and signed in his absence]

Handwritten notes on a yellow sticky note:
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for a reply from the H.O.
Rt Hon David Waddington QC MP
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Re: Mr. ask again Feb 9/11
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the department for Enterprise

celh

The Rt. Hon. Nicholas Ridley MP
Secretary of State for Trade and Industry

The Rt Hon David Waddington QC MP
Home Secretary
Queen Anne's Gate
LONDON
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Telex 8811074/5 DTHQ G
Fax 01-222 2629

Direct line 01 215 5622
Our ref PB3AIH
Your ref 9
Date 9 January 1990

MBP & M
stage.

Rec 6
9/1

Dear Home Secretary,

SECTION 11

Thank you for copying me your 20 December letter to Geoffrey Howe in which you sought "H" Committee colleagues agreement to proposals, worked up by our officials, which will enable the voluntary sector to have a greater say in Section 11 funding.

As John Patten may have mentioned, Douglas Hogg has already indicated - copy of his letter attached - that we fully endorsed the proposals; not least because we see the proposed measures helping our inner city Task Forces meet their objectives even more effectively. I would wholeheartedly agree with you that the proposal offers a worthwhile way of extending the availability of Section 11 funding along the lines originally envisaged by the Prime Minister.

I was also particularly pleased to note that, as a consequence of revising the bidding arrangements, the timetable for implementing the proposal has been brought forward by 6 months. This is good news. The experience of our Task Forces shows that voluntary sector organisations have an important role to play in meeting the needs of ethnic minority groups. So, the sooner they can be brought on board, the better.

I am copying this letter to the Prime Minister, H Committee colleagues and to Sir Robin Butler.

Yours sincerely
Rosalind Giff

[approved by the Secretary of State and signed
in his absence]



CONFIDENTIAL



File M
C/eon/sect

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary
SIR ROBIN BUTLER

SECTION 11 FUNDING

The Home Secretary minuted the Lord President on 20 December reporting on the further work carried out since Section 11 funding was considered by H Committee on 28 September. That discussion at H Committee followed an earlier meeting chaired by the Prime Minister on 27 July.

I have not yet shown the 20 December minute and attached paper to the Prime Minister. But I imagine that she will be content with the proposals set out there; they closely follow the proposals she put forward herself in the July meeting.

Apart from the substance of the policy, there is also the outstanding question of the future administration of Section 11 grants. At the time of the July meeting it was proposed that the Education Secretary should take over responsibility from the Home Secretary for grant paid in support of education projects in England, and the Welsh Secretary for grant paid in Wales. You advised in your minute of 24 July that the Prime Minister should agree to these changes in responsibility. However, the Prime Minister indicated that she wished to defer taking a decision until the policy issues were resolved.

My impression was, however, that she was not immediately persuaded of the case for switching departmental responsibility; she was concerned that if a large proportion of Section 11 funding was transferred to DES, and effectively became part of the local authorities general educational spending, it could be difficult to achieve the aim of giving the voluntary sector a greater role in the operation of the Section 11 arrangements.

Before I put the latest paper to the Prime Minister, I should be grateful if you could now provide further advice on the issue of departmental responsibility, taking into account the developments at and since the July meeting. It would be helpful to have this early in the New Year.

PAUL GRAY

21 December 1989

CONFIDENTIAL

KK



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A CCB

QUEEN ANNE'S GATE LONDON SW1H 9AT

20 December 1989

WBM dit FORB chairs.

*RCC
vice*

Geoff

SECTION 11

attached

H Committee discussed the arrangements for implementing the report of the scrutiny of section 11 grant at its meeting on 28 September (H(89)6th meeting, item 3). The proposals before the Committee were given general approval; but officials were asked:

- (i) to consider the scope for simplifying the documentation of the new procedures; and for accelerating the timescale for their introduction and;
- (ii) to work up detailed proposals for the greater diversification to the voluntary sector of funding.

Bidding Arrangements/Timescale

In the light of H Committee's comments, officials of the Departments concerned have been able to revise the bidding arrangements and bring forward the target date for the introduction of the new arrangements by 6 months to October 1991.

Diversification to Voluntary Sector

H Committee wished to encourage the allocation of section 11 grant to the voluntary sector. This will be secured in part by requiring local authorities to include voluntary sector applications within their overall bidding arrangements. To complement this officials have developed proposals for grant to be allocated to voluntary sector projects through the

/Training and

The Rt Hon Sir Geoffrey Howe, QC, MP
Lord President of the Council
Privy Council Office

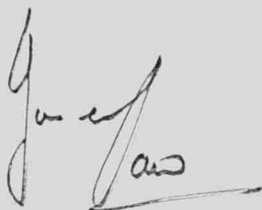
... Training and Enterprise Council (TEC) network. The proposals are set out in the enclosed note. The proposals also allocate a role to City Action Teams (CATs) and Task Forces.

I believe that the proposals offer a worthwhile way of extending the availability of section 11 grant on lines originally proposed by the Prime Minister. I accordingly hope that colleagues will endorse them.

The Way Forward

At her meeting on 27 July the Prime Minister indicated that she would decide on the question of Departmental responsibilities for the future administration of the section 11 grant. Once this has been decided the way will be clear for an announcement of the proposed changes and for consultation on the arrangements. I will circulate proposals for this in due course. Meanwhile I should be grateful to know if colleagues are content with the proposals set out in this letter.

Copies go to the Prime Minister, other members of H Committee and to Sir Robin Butler.

A handwritten signature in dark ink, appearing to read 'Geoffrey Howe'. The signature is written in a cursive style with a long horizontal stroke at the end.

SECTION 11

Arrangements for non local authority use of section 11 funding

The new arrangements for allocating section 11 funding through local authorities will include an element for voluntary sector projects put forward by local authorities within the terms of section 11. This note sets out complementary arrangements involving the development of a more radical approach to the channelling of section 11 funding to projects in the voluntary sector without the intervention of local authorities. If the framework proposed in this note is approved consultations on the details will be carried out in parallel with the consultations with local authorities on the new arrangements for allocating section 11 grant to local authorities.

2. The terms of section 11 itself limit funding to staff costs incurred by local authorities in meeting the special needs of Commonwealth immigrants. A radical approach to the use of section 11 funding by making it available to voluntary organisations without local authority sponsorship therefore requires arrangements which enable some of the restrictions in section 11 itself to be relaxed. Arrangements under which funding can be given for costs other than local authority staff are needed. This can already be done by a range of other funding, such as the Urban Programme; but there is no other source of funding comparable to section 11 specifically for ethnic minority projects. Funding arrangements to complement section 11 would need clear criteria to ensure that funding diverted from direct section 11 use was made available for comparable purposes to the benefit of the ethnic minorities.

3. The main mechanism which can be used as an alternative to local authorities for channelling funding to voluntary organisations should be the new Training and Enterprise Councils. As local bodies responsible for a broad range of training and enterprise programmes and services, TECs are

appropriate bodies to draw on section 11 funding to manage projects in the voluntary sector within their sphere of responsibilities. This would initially be introduced on a 'pilot' basis while TECs become established.

4. Other locally based mechanisms have a role to play. The eight City Action Teams bring together on a city wide basis the Departments responsible for environment, employment and enterprise programmes in order to coordinate the effectiveness of their delivery. The City Action Teams, with Home Office attendance on occasions when appropriate projects arise, can take a view on TEC and local authority bids for section 11 funding. This role is advisory and one of coordination and as such can offer advice to the Home Office on the appropriate needs of the area. The sixteen Inner City Task Forces concerned with improving employment and enterprise in their concentrated areas will be able to facilitate the use of section 11 for these purposes in their areas. Task forces would normally use local authority or TEC channels for projects they supported but as a last resort should be able to approach the Home Office direct.

5. The elements of the proposed arrangements are:

(1) Public expenditure provision - a proportion of the money available for section 11 purposes would be allocated to a separate subhead for non local authority expenditure. The proportion would be set in public expenditure negotiations, after discussions between the relevant Departments on the overall total of grant available, Ministerial priorities and the estimate of section 11 funds needed for local authority applications. (Since the division would be based on an estimate, necessarily speculative in the early stages, it will be important to review regularly the scale of diversification.

(2) Access - Training and Enterprise Councils would be able to apply direct to the section 11 grants section

without there being any necessary local authority involvement for section 11 funding for projects within their sphere of responsibilities.

(3) Criteria to be met by TEC applications would be the policy criteria applying to local authority bids under new arrangements reflecting central Government objectives for the use of section 11 funds for ethnic minority projects.

(4) Statutory restriction limiting grant to local authority employed staff would not be applied to these bids. This would make it possible to fund revenue costs for projects on a more flexible basis.

(5) The anachronistic restriction of section 11 funding to expenditure in respect of 'Commonwealth immigrants' would be relaxed for non local authority applications in order to enable all minority groups, such as Vietnamese refugees, to benefit.

(6) Bidding arrangements would mirror those for local authority applications so far as appropriate although there would be advantage in lining up the bidding arrangements for TECs with the arrangements they will be using to bid to the Training Agency for their main funding if this is compatible with the section 11 timetable. In particular TEC proposals would have to meet the requirements for objectives and monitoring.

(7) Administration would be by the central administrative section responsible for allocating section 11 funding in response to local authority bids. (This would ensure that funding is used for ethnic minority purposes.) This section would where necessary consult the Department responsible for the policy area concerned in the same way as for local authority applications. Management of the project would rest with the sponsoring TEC with monitoring requirements corresponding to those for local authority

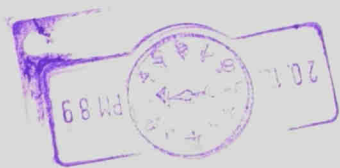
applications. Overall responsibility for decisions would rest with the section 11 section (and the Department's Accounting Officer would be accountable for the expenditure).

(8) Financial authority for the subhead for this expenditure would derive from the Appropriation Act. (It will be necessary to make a commitment to take legislative cover as soon as possible.)

(9) Timetable - Applications will normally be processed on the same annual bidding cycle as local authority bids in order to comply with cash limits. Within the constraints of operating a cash limit applications could where necessary be processed individually, making early decisions where necessary.

(10) Rate of grant - The normal rate of grant would be 75% as for local authority applications. There should however be flexibility. It may be appropriate, in cases where the absence of local authority involvement means that there is no supporting funding for applications to allocate grant at a rate above 75% but with a presumption towards an early tapering of grant and time limiting where appropriate; in other cases a lower rate of grant may be appropriate.

(11) Transition - examination of applications in the initial period of the new arrangements, during which local authorities would be having to reassess their current section 11 funding under the new criteria, would enable decisions to be made on the extent to which provision would be available from projects no longer eligible for section 11 grant to be diverted to voluntary sector projects.



dti

the department for Enterprise

The Hon. Douglas Hogg MP
Minister for Industry and Enterprise

John Patten Esq MP
Minister of State
Home Office
Queen Anne's Gate
LONDON
SW1H 9AT

**Department of
Trade and Industry**

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Direct line 215 5147

Our ref

Your ref

Date

4 December 1989

Dear John

In your 16 November letter to Angela Rumbold you sought reactions to the framework put forward by our officials to enable voluntary sector groups obtain Section 11 funding without going through the local authorities.

I very much support the idea that the emerging network of Training and Enterprise Councils (TECs) should play a pivotal role in all this. As you say, given their responsibilities for promoting total training and enterprise they are well placed to take on this important function. I am content for the proposal as it stands, therefore, to go to "H" Committee colleagues.

From the viewpoint of Task Forces alone I would wholeheartedly agree that the proposal has the makings of a valuable addition to Section 11 machinery. Its implementation will enable Task Forces to approach their local TEC and/or local authority when it comes to seeking voluntary sector support. Moreover, I was pleased to note that, as a last resort, Task Forces will also have the option of approaching your Department direct for funding. I firmly believe that the increased flexibility associated with the proposal can only help Task Forces target more effectively ethnic minority groups living in their areas. This is crucially important; as you know from your own association with Task Forces ethnic minorities make up a significant proportion of the population of many of them.

I am copying this letter to Angela Rumbold, David Hunt, Tim Eggar and Ian Grist.

Yours
D Hogg
DOUGLAS HOGG

ING941



Wane Atkins; Race Rel's PTZ





HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

10 August 1989

MBM

RA 6

10/8

Dear Stephen.

BRENT: GRANT UNDER SECTION 11 OF
LOCAL GOVERNMENT ACT 1966

Home Office and DES officials have kept in close touch over the application from Brent Council for section 11 grant for their Development Programme for Race Equality (DPRE).

Following reviews carried out by Sir David Lane and HMI last year the Home Secretary discussed the application, for which approval had been given in principle in 1986, with Mr Baker last year. It was agreed that, in the light of the reports and the fact that approval in principle had previously been given, grant would have to be paid if Brent Council gave satisfactory undertakings to a substantial number of stringent conditions arising from the reports, together with arrangements for rigorous monitoring of expenditure.

Brent Council have now given the undertakings required and the Home Secretary has been advised by our Legal Adviser that refusal to confirm approval of grant would risk successful challenge by judicial review. The Home Secretary will therefore be announcing tomorrow his approval of section 11 funding for the Development Programme for Educational achievement and Racial Equality (as Brent Council have renamed the DPRE as required by the Lane Report), subject to rigorous monitoring. The DPEARE will be monitored by a panel led, as agreed, by Baroness Cox. Brent Council will be required to submit termly reports on the DPEARE.

The press release which we shall be issuing tomorrow refers to the scrutiny of section 11 grant recently carried out, the problems which it identified in the present system, and the fact that Ministers are now considering what changes need to be made to improve the effective administration of section 11 funding in the light of the scrutiny report.

There is no doubt about the need in Brent. The borough has the largest proportion of ethnic minority population in the country (the 33.5% of Brent population of new Commonwealth origin compares with 28% in Hackney and 29.8% in Haringey). The schools in which DPEARE teachers work have ethnic minority pupil proportions ranging from 40% to 98%. The Home Secretary intends that the monitoring arrangements should ensure that proper use is made of the section 11 grant. No grant will be paid until Brent's detailed financial claims have been rigorously scrutinised and monitoring arrangements

are in place. This will be made clear in announcing the decision. The grant will be time limited for three years, as was originally proposed, and will come to an end on completion of the academic year 1990/91. Funding in the last year will depend on the reporting of the monitoring panel.

The Home Secretary and Mr Patten have kept Sir Rhodes Boyson and Councillor Stone, leader of the Conservative group, informed, and they are content.

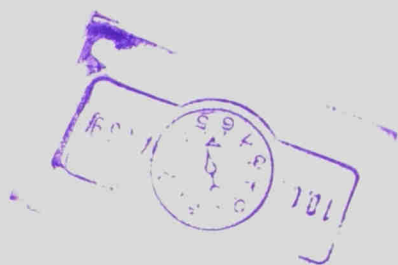
A copy of this letter goes to Caroline Slocock.

Yours sincerely,

Pein Orr.

P R C STORR

Stephen Crowne, Esq.
Private Secretary
Department of Education & Science
Elizabeth House
York Road
LONDON, S.E.1.





SRW cck
SUBJECT
cc MASTER

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

27 July 1989

Dear Peter,

SECTION 11 OF THE LOCAL GOVERNMENT ACT 1966

The Prime Minister held a meeting with Ministerial colleagues this morning to discuss issues arising from the report of the scrutiny of grants paid under section 11 of the Local Government Act 1966. Those present were the Lord President, the Home Secretary, the Secretaries of State for Wales, Health, Education and Science and the Environment, the Chief Secretary, the Minister of State, Home Office (Mr. Patten) and the Parliamentary Under Secretary of State, Department of Employment (Mr. Nicholls). Professor Brian Griffiths (Policy Unit), Mr. Mawer and Mr. Mundy (Cabinet Office) were also present. The meeting had before them the paper attached to your letter to me of 21 July.

The Home Secretary said that section 11 of the Local Government Act 1966 enabled the payment of specific grant on staff expenditure to local authorities which, in the Secretary of State's opinion, were required to make special provision in the exercise of any of their functions in consequence of the presence within their areas of substantial numbers of Commonwealth immigrants. More than £100 million of grant was expected to be paid to local authorities in the current year, about 80% of which would go towards educational provision. He believed that there was a clear need for special provision to continue to be available for use in helping to overcome barriers which prevented members of ethnic minorities from benefiting fully from opportunities for educational, economic and social development. However, partly because of the restrictive nature of the present legislation and partly because of the way in which the section 11 grant was currently administered, there were no clear objectives or mechanisms for monitoring the use which was made of section 11 funding. A scrutiny had therefore been set up and this had endorsed the principle of a special grant, but had found that the present system of grant allocation needed substantial improvement in order to ensure that the money involved was used effectively.

His proposals built on the scrutiny's recommendations. In particular, he proposed that an overall policy framework should be established for the allocation of the section 11

grant; local authorities should be required to prepare strategic assessments of ethnic minorities' needs in their areas; the grant should continue to be at the rate of 75%, but with cash and time limiting and tapering; performance should be assessed in accordance with a new system of three-yearly rolling review reports; and there should be increased funding through voluntary organisations and other intermediate bodies such as Task Forces, City Action Teams and Training and Enterprise Councils, either by local authorities being encouraged to sponsor applications from such bodies, or by reserving a proportion of grant for applications (via local authorities) for such bodies. He further proposed that administrative responsibility for expenditure on education should be devolved to the Department of Education and Science and for expenditure in Wales (including education) to the Welsh Office, with the Home Office retaining overall coordinating responsibility. Once a legislative opportunity arose, section 11 should be amended to enable voluntary and other organisations to be used directly as vehicles for grant delivery and to remove the present restriction of the grant to Commonwealth immigrants.

In discussion, the following main points were made:

- a. The proposal that section 11 grant should be tapered and cash and time limited was very welcome. However, given that the present grant was not being properly used, it was not clear that it would be right to continue to expend it at a level of around £100 million per annum: this was a matter which would need to be addressed in the Public Expenditure Survey.
- b. Section 11 grant was currently paid at a rate of 75%. Local authorities were thus required to cover only 25% of any expenditure on section 11 projects, and this gave them little incentive to scrutinise the value of such projects. There might therefore be a case for reducing the rate at which grant was paid or having a number of different rates depending on the nature of the projects. On the other hand, if the rate of grant were reduced much below 75%, local authorities might decline to pay their share of a good number of projects which the Government would consider worthwhile.
- c. The fact that around one-third of Asian men and two-thirds of Asian women did not speak English illustrated that there was a continuing need for money to be made available for the teaching of English to ethnic minorities. A large proportion of the teachers funded by section 11 grant, however, were generalists rather than language teachers. It appeared that many local education authorities regarded the section 11 grant as, in effect, an increase in their baseline expenditure rather than as money which ought to be spent on the language development of ethnic minorities. It was also important in allocating funding to give sufficient emphasis to other objectives of assistance to ethnic minorities besides language training, such as job creation initiatives.

d. There was a strong case for allocating section 11 grant on the basis of bids for specific projects. In principle it was desirable for capital as well as revenue bids to be entertained. Consideration would need to be given to the mechanisms for assessing such bids against clear criteria and objectives; and to ensuring that expenditure once approved was effectively monitored. Consideration should also be given to whether assistance to members of ethnic minorities, who tended to be concentrated in urban areas, could be better delivered by other funding mechanisms, although ethnic minorities should continue to be the focus of the expenditure, however it was delivered.

e. There was a strong case for giving notice that existing programmes would be reviewed, but it would be important to avoid giving the impression that they would necessarily be terminated while making clear that the future funding of individual projects could not be guaranteed.

f. The scrutiny had suggested that two of the purposes for which section 11 grant was particularly needed were for the adoption of mainstream provision and for the promotion of community awareness. These were rather nebulous concepts; and it could be argued that, for example, publicity aimed at encouraging members of the ethnic minorities to join the police force should be paid for by the police rather than out of section 11 grant. On the other hand, there had been some successful examples of payments made under these heads: for example, section 11 grant had been used in Wandsworth for the funding of projects designed to encourage members of the ethnic minorities to establish their own enterprises.

g. A separate Bill to amend section 11 would provide obvious opportunities for the raising of a wide range of race relations issues. It might be better to incorporate the necessary legislation into a Bill dealing also with other issues, although no early prospect of such a Bill seemed likely.

h. In whatever new arrangements were designed it was important that the Government should gain maximum credit for the expenditure involved.

The Prime Minister, summing up the discussion, said that the meeting had agreed that grant should continue to be paid under section 11 of the Local Government Act 1966 to meet ethnic minorities' special needs but that improvements were needed to the administrative and policy framework for allocating the grant. Arrangements should be introduced to require bids to be made for specific projects. Grants should be time limited and tapered in the final years; monitoring arrangements should be introduced to assess the effectiveness of projects funded under section 11; and steps should be taken to increase the proportion of funding which was channelled via local authorities to voluntary organisations and through bodies such as the Task Forces, City Action Teams and Training and Enterprise Councils. However, it would not be right to require local

authorities to prepare strategic assessments of needs in their areas since such an exercise was likely to be disproportionately time-consuming and expensive: local authorities ought to know what their requirements were without the need for a special exercise of this nature. The Lord President should arrange for H Committee to consider in September how the new bidding and monitoring arrangements should operate, with a view to the possibility of an announcement being made before Parliament returned in October. In due course, it would be necessary to consider what changes were required to the existing legislation; but it was doubtful whether it would be appropriate to introduce amending legislation before the next General Election and the priority for the present was to take action to improve the arrangements under existing legislation. Section 11 grant should in future be cash-limited, but the level of provision would need to be considered in the ordinary way in the Public Expenditure Survey: given that the existing grant was not being spent properly, it was not clear that provision for section 11 grant or the proportion of grant spent on education should continue at the current level. Consideration should also be given to the rate at which grant was paid; and to whether the objective of drawing members of the ethnic minorities into the mainstream of British life could be better achieved through the use of other funding mechanisms. The question of whether some section 11 responsibilities should be transferred away from the Home Office was a machinery of government matter which she would consider separately in the light of the outcome of the further work now put in hand.

I am sending copies of this letter to the Private Secretaries to the other Ministers at the meeting, to Sir Robin Butler and to the others present.

Yours,
Paul

(PAUL GRAY)

Peter Storr, Esq.,
Home Office.

Lawing CONFIDENTIAL

K02263

FROM: PHILIP MAWER
DATE: 27 July 1989

cc: Mr Mundy

MR GRAY

SECTION 11 OF THE LOCAL GOVERNMENT ACT 1966

I attach a draft letter for you to send Peter Storr at the Home Office recording the outcome of this morning's meeting, chaired by the Prime Minister, to discuss issues arising from the report of the scrutiny of grants paid under Section 11 of the 1966 Act.

A handwritten signature in black ink, appearing to read 'P J C Mawer', with a long horizontal flourish extending to the right.

P J C MAWER

Lawing CONFIDENTIAL

CONFIDENTIAL

*Hope to
in order.*

DRAFT LETTER FOR PAUL GRAY TO SEND TO P R C STORR ESQ, PRIVATE SECRETARY TO THE HOME SECRETARY

SRWCK

SECTION 11 OF THE LOCAL GOVERNMENT ACT 1966

The Prime Minister held a meeting with Ministerial colleagues this morning to discuss issues arising from the report of the scrutiny of grants paid under section 11 of the Local Government Act 1966. Present were the Home Secretary, the Lord President, the Secretary ^{ies} of State for Health, ^{Wider} ~~the Secretary of State~~ for Education and Science, ^h ~~the Secretary of State~~ ^{and} for the Environment, the Chief Secretary, the Minister of State, Home Office (Mr Patten) and the Parliamentary Under Secretary of State, Department of Employment (Mr Nicholls). Mr Mawer and Mr Mundy (Cabinet Office) were also present. The meeting had before them the paper attached to your letter to me of 21 July.

The Home Secretary said that section 11 of the Local Government Act 1966 enabled the payment of specific grant on staff expenditure to local authorities which, in the Secretary of State's opinion, were required to make special provision in the exercise of any of their functions in consequence of the presence within their areas of substantial numbers of Commonwealth immigrants. More than £100 million of grant was expected to be paid to local authorities in the current year, about 80% of which would go towards educational provision. He believed that there was a clear need for special provision to continue to be available for use in helping to overcome barriers which prevented members of ethnic minorities from benefitting fully from

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opportunities for educational, economic and social development. However, partly because of the restrictive nature of the present legislation and partly because of the way in which the section 11 grant was currently administered, there were no clear objectives or mechanisms for monitoring the use which was made of section 11 funding. A scrutiny had therefore been set up and this had endorsed the principle of a special grant, but had found that the present system of grant allocation needed substantial improvement in order to ensure that the money involved was used effectively. His proposals built on the scrutiny's recommendations. In particular, he proposed that an overall policy framework should be established for the allocation of the section 11 grant; local authorities should be required to prepare strategic assessments of ethnic minorities' needs in their areas; the grant should continue to be at the rate of 75%, but with time limiting and tapering; performance should be assessed in accordance with a new system of three-yearly rolling review reports; and there should be increased funding through voluntary organisations and other intermediate bodies such as Task Forces, City Action Teams and Training and Enterprise Councils, either by local authorities being encouraged to sponsor applications from such bodies, or by reserving a proportion of grant for applications (via local authorities) for such bodies. He further proposed that administrative responsibility for expenditure on education should be devolved to the Department of Education and Science and for expenditure in Wales (including education) to the Welsh Office, with the Home Office retaining overall coordinating responsibility. Once a legislative opportunity arose, section 11 should be amended to enable voluntary and other organisations to be used directly as vehicles for grant delivery and to remove the present restriction of the grant to Commonwealth immigrants.

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In discussion, the following main points were made.

a. ^{cash and} The proposal that section 11 grant should be tapered and time limited was very welcome. However, given that the present grant was not being properly used, it was not clear that it would be right to continue to expend it at a level of around £100 million per annum: this was a matter which would need to be addressed in the Public Expenditure Survey.

b. Section 11 grant was currently paid at a rate of 75%. Local authorities were thus required to cover only 25% of any expenditure on section 11 projects, and this gave them little incentive to scrutinize the value of such projects. There might therefore be a case for reducing the rate at which grant was paid, ^{or having a number of different rates depending on the nature of the project} On the other hand, if the rate of grant were reduced much below 75%, local authorities might decline to pay their share of a good number of projects which the Government would consider worthwhile.

c. The fact that around one-third of Asian men and two-thirds of Asian women did not speak English illustrated that there was a continuing need for money to be made available for the teaching of English to ethnic minorities. A large proportion of the teachers funded by section 11 grant, however, were generalists rather than language teachers. It appeared that many local education authorities regarded the section 11 grant as, in effect, an increase in their baseline expenditure rather than as money which ought to be spent on the language development of ethnic minorities.

^{- mainly funding}
It can also be argued ^{to give ethnic groups} to explain to the objectives of assistance to ethnic minorities ^{in order to give} basis, such as job creation initiatives.

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f)
 8. The scrutiny had suggested that two of the purposes for which section 11 grant was particularly needed were for the adoption of mainstream provision and for the promotion of community awareness. These were rather nebulous concepts; and it could be argued that, for example, publicity aimed at encouraging members of the ethnic minorities to join the police force should be paid for by the police rather than out of section 11 grant. On the other hand, there had been some successful examples of payments made under these heads: for example, section 11 grant had been used in Wandsworth for the funding of projects designed to encourage members of the ethnic minorities to establish their own enterprises.

~~begin~~
~~add to~~
~~criteria~~
 against clear
 criteria
 and
 objectives,
 and to
 ensure that
 expenditure
 once approved
 was
 effectively
 monitored.

h) e. There was a strong case for allocating section 11 grant on the basis of bids for specific projects. ^{In principle it was desirable for capital as well as revenue bids to be entertained.} Consideration would need to be given to the mechanisms for assessing such bids. Consideration should also be given to whether assistance to members of ethnic minorities, who tended to be concentrated in urban areas, could be better delivered by other funding mechanisms, ^{although ethnic minorities should continue to be the focus of the expenditure, however it was delivered.}

e) There was a strong case for
 8. ^{but} In giving notice that existing programmes would be reviewed, ^{it} would be important to avoid giving the impression that they would necessarily be terminated while making clear that the future funding of individual projects could not be guaranteed.

g. A separate Bill to amend section 11 would provide obvious opportunities for the raising of a wide range of race relations issues. It might be better to incorporate the necessary legislation into a Bill dealing also with other issues, although no early prospect of such a Bill

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seemed likely.

h) *In whatever new arrangements were devised it was important that the Government should gain maximum credit for the expenditure involved.*

The Prime Minister, summing up the discussion, said that the meeting had agreed that grant should continue to be paid under section 11 of the Local Government Act 1966 to meet ethnic minorities' special needs but that improvements were needed to the administrative and policy framework for allocating the grant. Arrangements should be introduced to require bids to be made for specific projects. Grants should be ~~time~~ ^{not} limited and tapered in the final years; monitoring arrangements should be introduced to assess the effectiveness of projects funded under section 11; and steps should be taken to increase the proportion of funding which was channelled via local authorities to voluntary organizations and ^{through} bodies such as the Task Forces, City Action Teams and Training and Enterprise Councils. However, it would not be right to require local authorities to prepare strategic assessments of needs in their areas since such an exercise was likely to be disproportionately time-consuming and expensive: local authorities ought to know what their requirements were without the need for a special exercise of this nature. The Lord President should arrange for H Committee to consider in September how the new bidding and monitoring arrangements should operate, with a view to ^{the possibility of} an announcement being made before Parliament returned in October. In due course, it would be necessary to consider what changes were required to the existing legislation; but it was doubtful whether it would be appropriate to introduce amending legislation before the next General Election and the priority for the present was to take action to improve the arrangements under existing legislation. The level of provision for section 11 grant would need to be ~~cost-benefit~~ considered in the ordinary way in the Public Expenditure Survey: given that the existing grant was not being spent properly, it was not clear

Section 11 grant should be cost-benefit, etc

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provision for that *or the proportion of grant spent on education* section 11 grant should continue at the current level. Consideration should also be given to the rate at which grant was paid; and to whether the objective of drawing members of the ethnic minorities into the mainstream of British life could be better achieved through the use of other funding mechanisms. The question of whether some section 11 responsibilities should be transferred away from the Home Office was a machinery of government matter which she would consider separately in the light of the outcome of the further work now put in hand.

I am sending copies of this letter to the Private Secretaries to the other Ministers present at the meeting and to Sir Robin Butler, Philip Mawer and Shaun Mundy.

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PRIME MINISTER

MEETING ON SECTION 11 FUNDING

You have a meeting before Cabinet with a group of Ministers to consider the follow-up to the scrutiny of Section 11 Funding for ethnic minorities.

This is your first meeting with a main Ministerial Group since the reshuffle. Some of the participants have stayed in the same posts - the Home Secretary and John Patten, Peter Walker, Ken Clarke and Patrick Nicholls (Employment). Others have moved - John MacGregor, Chris Patten, Geoffrey Howe and Norman Lamont.

The papers for the meeting are:

Flag A - The main Home Office report. You saw this over the weekend, and thought it was full of jargon and meaningless phrases. You may want quickly to glance at the key points set out in the concluding paragraph 26 at the end of the main paper.

Flag B - The main Cabinet Office brief, which helpfully sets out the key issues for discussion and decision.

Flag C - A supplementary brief from Robin Butler on the machinery of Government aspects - specifically a proposed transfer of responsibility for part of the expenditure from the Home Office to DES.

Flag D - Briefing by Brian Griffiths, which broadly follows the issues in the order set out in the main Cabinet Office brief at Flag B.

Flag E - My earlier letter of 19 May recording the further work which you wanted carried out.

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- 2 -

Handling

There are three points you may want to bear in mind in handling the discussion:

- This is Norman Lamont's first major meeting as Chief Secretary. There are some issues - the overall level of funding and the rate of grant - on which he will want to reserve his position for negotiations in the Survey.
- Robin Butler (Flag C) advises you to make clear your decision on the machinery of Government aspects at the beginning of the meeting. He recommends you to agree to the transfer to the DES. But this recommendation is opposed by Brian Griffiths (Flag D). So, while making clear that the machinery issue is a point for your decision, rather than collective discussion, you may want to defer the point, until the end of the meeting or indeed to a later stage.
- This whole issue originally started as a piece of H Committee business. Following advice from Brian Griffiths you decided you wanted to take a meeting on it yourself. Depending on the progress achieved at the meeting, and bearing in mind developments of the last couple of days, you will want to consider whether or not to refer any continuing discussions back to H Committee.

face.

PAUL GRAY

26 July 1989

CO4SAT



Copy
E

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

19 May 1989

SECTION 11 OF THE LOCAL GOVERNMENT ACT 1966

The Prime Minister has seen the Home Secretary's letter of 11 May to the Secretary of State for Education and Science with which he enclosed a copy of the scrutiny report on Section 11 funding.

The Prime Minister welcomes the analysis provided by the scrutiny and believes that a number of the detailed recommendations would lead to improvements in the operation of the Section 11 arrangements. However, bearing in mind the scale of the expenditure involved, the Prime Minister wishes to consider whether further changes could be made, beyond those recommended in the scrutiny report or the Home Secretary's letter, to improve the effectiveness of the help provided to ethnic minority communities.

The Prime Minister would therefore be grateful if the Home Secretary could arrange for consideration to be given to more extensive changes. She recognises the case for making changes in the departmental responsibility for education expenditure under Section 11, but would wish to see detailed proposals on how this would operate, including the links with and reporting back from the local education authorities. But she also wonders whether changes should be made for other elements of Section 11 spending. For example, funding of training and economic development projects might be linked more closely with bodies such as Training and Enterprise Councils and inner city Task Forces. And she would see advantage in giving a larger role to the voluntary sector, relative to local authorities, in the funding and operation of community projects.

Until these possibilities have been explored the Prime Minister thinks it would be premature to announce that the Government accepts the overall thrust of the scrutiny report or to initiate any transfer of responsibility for education expenditure. She would however be content for the Home Secretary now to publish the scrutiny report and to indicate that the Government was giving further consideration

to its recommendations and the follow-up action. The Prime Minister would like to have a meeting with a group of colleagues in early July to discuss the way forward; it would be helpful if the Home Secretary, in conjunction with other colleagues and the Policy Unit, could prepare a paper for that occasion covering the points set out above.

I am copying this letter to the Private Secretaries to members of 'H' Committee, the Attorney General, the Minister for the Arts, and to Sir Robin Butler and Sir Angus Fraser.

PAUL GRAY

Peter Storr, Esq.,
Home Office

D

SECTION 11 FUNDING

BACKGROUND TO THE MEETING

a) The Present Position

Section 11 of the Local Government Act authorises the Secretary of State to make payments to local authorities "who in his opinion are required to make special provision in the exercise of any of their functions" because of the presence of substantial numbers of immigrants.

- Section 11 funding is at present around £100M per year;
- the money is used to fund 12,000 posts, 80% of which are in education;
- the boroughs which receive the funding include some which are distinctly left-wing eg

ILEA	£13.5M
Brent	£ 3.3M
Haringey	£ 2.4M
Newham	£ 2.2M
Ealing	£ 3.7M

- of the posts in education, 3000 are generalist teachers, 2,700 ESL school-based and peripatetic teachers and 750 classroom assistants;
- local authorities use Section 11 funding to help the voluntary sector only to a very small extent.

b) Conclusion of the Scrutiny

The results of the Scrutiny were devastating. It claimed:

- there were no clear objectives for Section 11 grants;
- because of this it was impossible to know if the taxpayer was getting value for money;
- ethnic communities themselves feel no obvious benefit from this funding;
- the Home Office system was creaking under the strain of monitoring the funding, eg it had no reports from local authorities and had not carried out visits to local authorities to monitor any of the 12,000 posts;
- there were many complaints about the delay of decision making;
- ethnic communities are highly critical of Section 11 funding because it provides jobs for town halls, who view voluntary ethnic organisations as competitive rivals (for example local authorities are very reluctant to fund Section 11 posts in the voluntary sector).

c) Recommendations of the Scrutiny

- Section 11 funding should be continued;
- primary responsibility for managing it should rest with local authorities;
- the government should re-launch the scheme in a high-profile way.

The Home Secretary accepted the main thrust of these recommendations and suggested publication of the report, but added one further recommendation, namely:

- transferring responsibility for much of the funding from the Home Office to the DES.

ISSUES TO BE DISCUSSED AT THE MEETING

The agenda for the meeting is best set out using the points raised by the Cabinet Office.

(a) Policy and Role of the Grant

One critical question about Section 11 funding is whether it should continue at its current level.

Some members of ethnic groups - eg those who do not speak English - clearly need special help before they can play an active role in our society. For such people Section 11 funding is of value. But taken as a whole the Scrutiny is correct to conclude that we are unable to judge its effectiveness; we simply do not know what value we get for the £100M expenditure.

Recommendation

Section 11 funding has grown rapidly over the past five years. Until we have clear objectives and proper monitoring techniques, the government should certainly not increase Section 11 funding, and indeed there is a case for reducing it.

(b) Proposals for Immediate Reform

These are proposals that can be achieved without legislation. Douglas Hurd in his minute to you listed five issues:

- (i) development of overall policy framework
- (ii) need for local authorities to prepare strategic assessment
- (iii) grants should be limited to set periods of time
- (iv) proper monitoring and assessment arrangements
- (v) increased funding of voluntary organisations and funding of Task Forces, CATS and TECs. //

In developing to the first point (see para 7 of Douglas Hurd's minute) the Home Secretary emphasises four objectives. Two of these (language teaching and encouraging enterprise) are fine, mainly because they are clearly defined and easily assessed. The other two (securing mainstream resources for ethnic groups and promoting community awareness) seem much more questionable. While agreeing to the need for a proper framework it would be wise to emphasise the former but reject the latter as the kind of activities for which Section 11 funding should be used.

All of the other recommendations are sensible but the last is terribly important. One of the major, if not overriding, weaknesses of Section 11 grant is that it is channelled to local authorities and not to the voluntary sector or specialist agencies of central government. As a result it promotes a statist, corporatist, top-down approach to regeneration within ethnic areas. By contrast, there is real value in supporting private, enterprising initiatives within the black and Asian communities, eg through community organisations, black churches, etc.

While current legislation requires funding to be channelled through local authorities, we should require local authorities to sponsor a significant proportion of posts on behalf of the voluntary sector,

CATS, Task Forces etc. For this to have an impact such posts should reach 33% of funding in 2 years.

Recommendation

- (i) Accept the need for a policy framework (especially language teaching and enterprise) but reject vague goals;
- (ii) accept recommendations (ii), (iii) and (iv) - all of which should lead to a more effective use of funds;
- (iii) most important of all, require local authorities to put forward proposals so that at least 33% of Section 11 funding is channelled to the voluntary sector and other agencies within 2 years.

(c) Changes Involving Legislation

This would involve Section 11 funding being paid directly to the voluntary sector. It would be a breath of fresh air to all those within the ethnic communities who are trying, against great odds, to fit in with present government policy towards inner city regulation.

Recommendation

I suspect that the legislative timetable may make this difficult before the next election. If so, it could be a very attractive Manifesto commitment.

Departmental Responsibility

10,000 jobs in education are at present funded through Section 11 payments. Yet we have no idea of how effective they are. The fact that the greatest number of posts are "generalist" makes one

very suspicious. We do know that the Brent race spies were funded from this source.

I believe that the case for transferring this funding to the DES is very weak.

- a) The danger is that Section 11 funding will become part of local authorities' general educational spending in certain geographical areas and that it will be indistinguishable from other sources of funding;
- b) the DES could well direct part of this funding into childcare provision for ethnic one-parent families etc and other fancy projects;
- c) the DES has a very poor track record of administering funds: the most recent stories one hears of the hassle which G-M schools and CTC schools have in dealing with DES does not bode well;
- d) if 80% of Section 11 funding is given to DES, there is no way in which the voluntary and enterprising sector within ethnic communities - which is ultimately the key to their regeneration - will ever take-off. Even if the legislation is changed, the DES will have captured the source of funds and bureaucratic inertia will be such that it will prove a formidable if not an impossible task to wrest back control.

Recommendation

Do not allow Section 11 funding to move to DES: it will lose its intended impact. Far better to strengthen the unit within the Home Office or move the funding to DTI with other inner city policy.

(d) Rate of Grant

There is no particular reason to change the 75% funding rule, but you may wish to question the Home Secretary on greater flexibility for funding voluntary bodies.

It would be wrong for voluntary bodies to be funded 100% as that would free them of all responsibility to raise funds in support of their own community initiatives.

One issue, however, which they constantly raise with me is the possibility of necessary help with capital rather than staff (eg help with converting a building to house homeless or run a youth club etc). It would be a great encouragement to many groups if some funding were available for this, as they claim this is the most difficult kind of funding to raise within the voluntary sector.

Recommendation

Keep to the 75% funding rule but seek greater flexibility over capital grants.

Juanne Bark

PP BRIAN GRIFFITHS

Ref. A089/1977

MR TURNBULL

Section 11 of the Local Government Act:
Machinery of Government Aspects

The Prime Minister is holding a meeting on 27 July to discuss the future of the specific grant paid under Section 11 of the Local Government Act 1966 to local authorities to meet ethnic minority special needs. Mr Mawer is briefing separately on most of the issues to be covered at the meeting. However, the proposal to transfer some S11 responsibilities from the Home Secretary to other Ministers is a machinery of government matter, for decision by the Prime Minister rather than collectively, on which this minute provides advice.

2. At present, the Home Secretary is ministerially responsible for all grant paid under S11 - some £100 million this year. The scrutiny report on S11 recommends a number of ways in which the grant can be more tightly administered and better targeted. The Home Secretary and other Ministers have reached the view that a further improvement could be made to administration of the grant if the Education Secretary were to take responsibility for grant paid in support of education projects (in England) - currently some £80 million - and the Welsh Secretary for grant paid in Wales (including on education) - currently about £0.5 million.

3. In practice this would mean that the Secretary of State for Education would negotiate funds for S11 education grant in PES directly with the Chief Secretary; would set his own policy on allocating it; and would take responsibility for its administration. The Secretary of State for Wales would do the same for all S11 expenditure in Wales. Both, through normal consultative arrangements, would take account of overall Home Office views in their policies, but each would be ministerially

accountable for the grant spent in his area. The Home Office would continue to lead on policy towards ethnic minorities as a whole. It would also administer all S11 grant other than that spent on education and in Wales (about 20 per cent of the present total). Its responsibilities would therefore include, as at present, grant spent not only on Home Office matters but also the small proportion spent on projects in Health, Employment, Environment, and Trade and Industry areas. It would continue to take account of the view of these Departments in deciding what amount of grant to seek in making its own bid in PES and in allocating its share of the grant to projects.

4. These changes could be effected by administrative action.

5. The transfer of responsibility for education grants to DES is not expected to lead to increases in staff overall since both DES and the Home Office would retain substantial administrative responsibilities. (The increases envisaged in the section of the Home Secretary's paper on public expenditure implications derive from the scrutiny recommendation that a firmer central grip is needed in this area, whichever Department is responsible.) But the transfer to the Welsh Office might lead to some very small net staff increase. The details of the allocation of existing PES commitments and staff remain to be agreed by Home Office, DES, Welsh Office and Treasury, but no insuperable difficulties are foreseen.

6. The transfers of responsibility, if agreed, would be announced at the same time as other decisions on the Section 11 scrutiny report, probably in the autumn. The announcement would need to be cleared by the Prime Minister.

7. I recommend that the Prime Minister agree to the changes proposed. The transfer of responsibility for S11 education grants to DES should allow more expert administration of grant, and make it easier to co-ordinate their action on S11 grant with their other education policy initiatives. In the case of DES, there is

no question that the expenditure involved, and consequently the improvement to be gained from its better administration, is of a scale to justify the temporary disruption which may be caused by a transfer. Expenditure in Wales under S11 is very much smaller, but it is clearly logical for the Welsh Office to take responsibility for S11 dealings with Welsh local authorities alongside all their other dealings with local authorities.

8. I also recommend that the Prime Minister should agree that other S11 responsibilities should remain with the Home Office. No other departmental Ministers have sought to take control of grant spend in their areas, and the sums involved at present are so small that administrative efficiency and effectiveness would probably be damaged.

Handling

9. If the Prime Minister agrees, I suggest that she indicates her decision at the start of the meeting, ie that:

- the Home Office retains responsibility for overall policy towards ethnic minorities and for administration of S11 grants except in the education area and in Wales;
- the DES takes over responsibility for policy and administration of S11 grants in the education area in England;
- the Welsh Office takes over responsibility for policy and administration of all S11 grants in Wales;

subject to the Departments concerned agreeing the detailed reallocation of public expenditure and staffing provisions with the Treasury and to the announcement of the distribution of responsibilities being cleared with No 10.

R.R.B.

24 July 1989

ROBIN BUTLER

From: THE PRIVATE SECRETARY

cc: P.U
Blup



HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

21 July 1989

PA

Dear Paul,

SECTION 11 SCRUTINY

... I enclose a paper on the report on the scrutiny of section 11 grant for the Prime Minister's meeting on 27 July. _____

This has been prepared in consultation with the Department of Education and Science and the other Departments concerned.

Copies go to the Private Secretaries to the Secretaries of State for Education, Environment, Employment, Health and Wales, the Lord President, the Chief Secretary, the Chancellor of the Duchy of Lancaster, Sir Robin Butler and Sir Angus Fraser.

Yours ever,

Paul Storr.

P R C STORR

Paul Gray, Esq.

SCRUTINY OF SECTION 11 GRANT

This paper sets out the issues arising from the report on the scrutiny of grant paid under section 11 of the Local Government Act 1966 for the meeting called by the Prime Minister on 27 July.

Introduction

2. Section 11 grant is paid to local authorities for special provision they make for ethnic minorities. (The terms of section 11 of the Local Government Act 1966 are at Annex A.) It is the major central Government programme aimed specifically at the needs of the ethnic minority communities. (Paid at a rate of 75% the central Government contribution amounts to over £100 million a year.) Annex B describes the range covered by s.11 grant under present arrangements.

Scrutiny report: main recommendations

3. The scrutiny report endorses the principle that a special grant remains necessary but is very critical of the lack of control over the use currently made of funding. Its recommendations (the principal ones are summarised in Annex C) accordingly focus on the need for a framework of clear policy objectives; and for improved administrative arrangements and measurement of effectiveness. It recommends changes in the statutory basis for grant when legislative time can be found.

Issues arising

4. The fundamental issues arising over the implementation of the scrutiny report in the light of the Home Secretary's letter of 11 May and the Prime Minister's response recorded in the Private Secretary letter of 19 May, are:

- the basis of policy, and the strategy for the use of a special grant;
- the limitations of the statutory basis for the grant (and the issue of amending legislation);

- the administrative machinery.

5. The introduction of cash limiting section 11 expenditure from 1990/91 will require administrative changes to bring tighter control over grant allocation. The imposition of a cash limit (£120m at 1989 survey prices) will:

(1) focus attention on the use made of grant, and the priorities between competing bids within the overall ceiling.

(2) make necessary clearly defined policies (understood by grant recipients) for administration of the grant.

It will in future be necessary for priorities within each area to be clearly identified. (This reflects the report's recommendation that departmental policies should be established.) This will provide a framework to secure better value for money.

6. This paper considers the present policy, the limitations on section 11 funding, options for the future and the administrative and public expenditure implications of any changes of approach.

Policy and the role of the grant

7. The draft policy statement prepared following the scrutiny report (Annex D) sets the role of this specific grant in the context of the Government's race relations policy. The fundamental principle is the removal of barriers which may prevent members of the ethnic minorities from playing their full part in the economic and social life of the country and to encourage self-help and initiative. Specific grant needs to be provided to complement legal and promotional measures against discrimination and mainstream programmes in order to tackle special problems, like language difficulties, which members of the ethnic minorities experience and to ensure that

blockages in the way of their participation in economic and social programmes are removed. As set out in paragraph 2 of the scrutiny report grant is particularly needed for:

(i) language teaching - to ensure adequate command of English;

(ii) adapting mainstream provision - to secure changes in the way that mainstream resources are used to ensure that they reflect the needs of the minority communities, for example in access, courses and skills training;

(iii) encouraging enterprise - making business services relevant and accessible to the minorities;

(iv) promoting community awareness - to ensure that members of the minority communities have access to mainstream provision such as housing and social services.

Limitations on use of grant

8. The development of section 11 grant policy, and the recommendations of the scrutiny report for immediate implementation (prior to legislation), reflect the limitations set by the terms of the statutory provision. Section 11 contains some significant restrictions. Grant can only be paid:

(a) to local authorities;

(b) for staff costs incurred on special provision needed because of the different language or customs of Commonwealth immigrants.

(a) Local authorities

9. The limitation to local authority staff provision has become increasingly anachronistic. (An amendment had to be included in the Education Reform Act to enable section 11 grant to be available to grant-maintained schools, City

Technology Colleges and institutions in the Polytechnics and Colleges Funding Council sector.) The use of section 11 is being developed flexibly in order to fund community organisations and support new initiatives. Under the present statutory authority, however, provision to voluntary self help bodies in the community has to be made through local authorities who have in effect to sponsor and second to those bodies staff funded out of section 11 grant.

More emphasis could nevertheless be put, within existing statutory provision, on making grant available to voluntary bodies.

This would involve encouraging local authorities to include posts in the voluntary sector in their applications. It could also be encouraged through the partnerships which draw local authorities in to central government initiatives in particular in the inner cities. The main ones to which section 11 funding is relevant are:

Inner City Task Forces: these aim to increase enterprise and the employability of residents and build up local organisations in the most deprived inner city areas. In most Task Force areas ethnic minorities make up a high proportion of the local population. Task Forces already use main programmes wherever possible to fund their projects. Section 11 support would enable them to offer special support to these ethnic minority projects which meet their objectives and those of section 11 policy. Task Forces are, however, small and operate under considerable pressure so special administrative arrangements would be necessary to fit the section 11 work into their existing procedures.

City Action Teams: the CATs coordinate the delivery and presentation of main programmes in their areas. They also have a special fund to support specific projects. Home Office officials attend some CAT meetings. The

opportunity could thus be taken to extend this representation to all CATs and the advice of CATs sought on section 11 bids.

Training and Enterprise Councils: Training and Enterprise Councils (TECs) will be private companies led by key business figures, with the support of the wider community. They will have executive responsibility for the planning and delivery of the Employment Department's training and enterprise programmes, to meet local needs. The programmes for which they will be responsible include Employment Training, the Youth Training Scheme and the counselling activities of the Small Firms Services. There is already special provision for ethnic minorities within Training Agency Programmes. As part of their stocktake of community needs, TECs will be expected to identify the particular needs of ethnic minority groups in their areas. The TECs Business Plan will subsequently set out in some detail what steps TECs will take to meet those needs within the broad framework of Government priorities on training and enterprise. They will also have flexibility to respond to particular local requirements through the TEC's Local Initiative fund, which could also be used to top up the 75% section 11 grant. TECs will therefore be in a strong position to make effective use of section 11 funds to meet needs identified through their analysis of the local labour market, and also to work with others, such as local authorities, to determine how such funds can be spent most effectively. The present use of the grant on staff posts would give TECs the opportunity to focus attention more directly on meeting the needs of ethnic minority groups through, for example, promoting a TEC's programmes and services within communities and taking steps to fine-tune them to more accurately reflect local needs. TECs could also set up community-based activity which stimulated and complemented the programmes and services already on offer.

Legislation to replace section 11 would be needed to remove the restriction to local authority posts.

Such legislation could provide for grants to voluntary and community bodies direct and for funding through relevant central government institutions.

(b) Special needs

10. The restriction effectively to provision to meet special needs has focused the use of section 11 grant on needs experienced by the new Commonwealth communities which are not shared, even to a lesser degree, by the other communities. The rationale for this has been that needs shared by the rest of the community should be met out of general local authority programmes. Language teaching (paragraph 7i) has been the main use of section 11, being the clearest distinctive need which the education system has had to meet. Increasingly "access" facilities, for example the provision of special staff for "outreach" work (paragraphs 7ii-iv), that is to enable the ethnic minorities to use mainstream services, has been developed. But provision for ethnic minority self help on a community basis where the need is not demonstrably distinctive has not been met by section 11 grant. Thus provision for community centres or straightforward services for youth or the elderly has been excluded from section 11. This places limitations on the extent to which grant can be used to promote self help.

Legislation to replace section 11 could relax the restriction to special provision, enabling support to be given to the ethnic minority communities on a more flexible basis to encourage self help.

Other restrictions

11. As recommended by the scrutiny report the restriction of grant to Commonwealth immigrants is also anachronistic. In particular refugee communities like the Vietnamese have pressing language and other problems which the section 11

grant mechanism is in principle well designed to meet.

Reforms

12. In the light of the considerations set out above the reforms to improve existing arrangements fall into two parts, those which can be achieved without legislation and those requiring legislation.

I Changes that can be achieved without legislation:

- (i) development of overall policy framework for allocation of grant;
- (ii) imposition on local authorities of the requirement to prepare strategic assessment of need in their area;
- (iii) time limited allocation of grant in accordance with criteria and priorities laid down by centre;
- (iv) assessment of performance in accordance with specified monitoring arrangements on to effectiveness;
- (v) increased funding of voluntary organisations and through Task Forces, CATs and TECs either by:
 - (a) encouraging local authorities to sponsor applications from them; or
 - (b) reserving a proportion of grant for application via local authorities from them.

II Changes requiring legislation

- (i) use of central government initiatives and other intermediaries than local authorities to administer grant;
- (ii) direct funding to voluntary organisations;

(iii) the removal of the restriction to Commonwealth citizens.

13. These alternatives are not mutually exclusive. The scrutiny report envisages two stages, with changes requiring legislation being introduced after the administrative reforms necessary to develop a more cost effective and efficient mechanism by which grant is administered.

14. Once legislative time could be found direct access could be given to the local voluntary organisations. This would require, in addition to the necessary policy guidelines and mechanisms for administering the grant, adequate staffing to ensure that guidance and monitoring of voluntary organisations activity in this respect was available.

Administrative arrangements

15. Given the emphasis in the scrutiny report on improving the administration of grant within the existing statutory framework it focuses on the requirements which local authorities should meet, linked to the development of explicit policy objectives for the use of grant. The key features of the new administrative arrangements proposed by the scrutiny report are:

- a. allocation of grant should be on the basis of periodic reports from local authorities;
- b. the reports should cover a 3 year period.

The reports would be designed to improve the coherence of grant giving, within central policy requirements, by requiring local authorities to develop:

- a. a coordinated assessment of the needs of the ethnic minorities in the area;

- b. a strategy for meeting the needs;
- c. linking the strategy to the use of mainstream resources.

16. There seems value in a coordinated assessment of the position of the ethnic minorities area by area. Amendment of the statutory provision to allow grant to be paid direct to voluntary bodies and other agencies would require the development of arrangements for allocating grant direct to voluntary and other bodies or by way of applications from other local agencies, in particular inner city task forces, City Action Teams, Training and Enterprise Councils. Their applications could be coordinated with an overall assessment of the position in the area.

17. Pending legislation increased emphasis could be put on non local authority agencies as envisaged in paragraph 12 I(v). Local authorities would be required to take this into account in preparing their reports.

Monitoring arrangements

18. The basis for new monitoring arrangements will be the requirement that identifiable targets and performance indicators are set in accordance with the central policy guidelines for the use of section 11 grant. There are a number of ways in which the use of grant can be monitored.

(i) Three yearly reports

The scrutiny report argues in favour of a 3 year reporting cycle on the basis that it enables local authority initiatives to show results, authorities would be encouraged to look strategically at their approach to ethnic minority needs and bureaucracy could be kept to a minimum.

(ii) Annual reports

Annual reporting of achievement would have the advantage of tighter controls over local authorities' use of the grant. The scrutiny report spurns them however on the grounds that they are over bureaucratic and do not allow enough time for the local authority to show results.

(iii) Three year rolling review reports

Following discussion among Departments a monitoring system is proposed that requires local authorities to provide 3 year plans for section 11 funding which they will be required to update annually within a 3 year cycle.

The advantage of the scheme would be that it encourages longer term planning without being over bureaucratic, it can be made to coincide with the PES and will fit within cash limits which at the same time providing central Government with the opportunity of identifying problems before they develop to such an extent that drastic action has to be taken. It also allows both Government and local authorities the opportunity of adjusting priorities as the need arises.

Departmental responsibility

19. The Home Secretary's letter of 11 May recommended, following discussions between the Home Office and DES, that responsibility for the education element of section 11 grant should be transferred to DES on the basis that it is (at about 80% of current expenditure) the largest element of section 11 expenditure. This would mean that, while the Home Office would retain overall responsibility for section 11 grant policy, DES would be responsible for policy on its allocation to education needs. There would be separate PES provision to reflect this. Although the proportion of section 11 going to particular service areas may change over time, expenditure on education is likely to continue to predominate. Direct administration by DES will enable closer monitoring of the use of expenditure and its effectiveness. Proposals for detailed administration are set out in Annex E.

20. The Secretary of State for Wales proposes that section 11 expenditure in Wales should be administered by the Welsh Office. The use of section 11 grant in Wales is at present small - about £300,000 this year. Given the Welsh Office's responsibility for education and the other main uses of section 11 in Wales it seems logical to devolve its administration on the same basis as for DES.

21. Responsibilities for the allocation of grant for other uses, and for overall coordination, would remain with the Home Office, as the Department with overall responsibility for race relations. Grant would however be administered in close consultation with the other Departments concerned. This would be particularly so where the use of grant by Task Forces, CATs and TECs was involved since they are not resourced to monitor the use of grant direct. Whatever future system for the allocation of the grant is adopted, it will be important for there to be adequate central coordination to ensure that the fundamental aim of the grant is being adhered to.

Rate of grant

22. The rate at which section 11 grant is paid has been set at 75% since 1969/70 in line with urban programme grant. Under cash limiting, as proposed by the scrutiny report, grant would be payable at a rate of 75% on agreed expenditure (in practice below 75% if actual expenditure is higher than agreed plans). The justification for a rate of grant as high as 75% is to encourage innovation to meet needs outside the mainstream and not to replace responsibility for seeking to remove barriers to the ethnic minorities playing a full part in the economic social life of the community. Linked with more rigorous targeting and time limiting to ensure that grant does not become routine provision it seems inappropriate to reduce the rate of grant to the level mainstream services attract.

23. The rate of grant payable to voluntary bodies if funded direct out of section 11 grant should be flexible in recognition of the fact that the complementary sources of funding will vary.

Time limiting and tapering

24. The emphasis under new arrangements (already reflected in current practice) will be to set time limits in relation to the objectives of funding. This will reflect the scale of continuing need and the achievement of the objective of enabling the ethnic minority communities to draw on mainstream funded provision. Tapering of grant in the final years should assist in the transition to mainstream provision.

Public expenditure implications

25. Section 11 grant is included in the new planning total to be introduced in 1990-91. This means that bids for grant have been made for the first time in this year's public expenditure Survey. The Home Office has submitted bids for 1990-91 to allow the same level of growth in posts (300) as in recent years (provision sought is £120.4 million including a small increase of £2.5 million in volume grant). This will need to be discussed in the Survey in the usual way. They have assumed no further growth in expenditure on section 11 grant, other than for inflation in subsequent years. Provision has also been sought to strengthen the central control of section 11 expenditure. The scrutiny report commented on the limited degree of control as reflected in the low proportion of expenditure devoted to administrative costs (only about 0.3% of the grant total compared with 1.22% for the urban programme). (The proposed transfer of departmental responsibilities should not of itself give rise to an increase.) Initial estimates suggest that there might be a need for 15 EOs (an increase of 10) and 4 HEOs (an increase of 2) with some additional Grade 7/SEO resources (a total cost of £470,000, an increase of £260,000). The amount of effort required to ensure that the organisations are competent to operate within the revised criteria of the grant, and that

they can comply with the laid-down monitoring arrangements, will be considerable and even these resources may find it difficult to cope with the commitment depending on the scale of take-up of the grant by voluntary organisations (assuming post legislation access direct to central government).

Conclusion

26. It is necessary to reform the administrative arrangements for section 11 grant in order to meet the defects in control which the scrutiny report identifies. It makes a number of valuable recommendations many of which accord with good government practice in terms of ensuring adequate value for money and budgetary control. Many of the detailed recommendations can be accepted. The fundamental reforms proposed are:

- (a) there should be immediate reform of the administrative and policy framework for the allocation of section 11 grant on lines proposed by the scrutiny (paragraph 12 I);
- (b) the new arrangements should include increased funding of voluntary organisations and through Task Forces, CATs and TECs, on the basis of detailed arrangements to be developed (paragraph 12 I(v)), with new monitoring arrangements (paragraph 18);
- (c) administrative responsibility for expenditure on education should be devolved to DES (paragraph 19), in Wales (including education) to the Welsh Office (paragraph 20), with the Home Office retaining coordinating responsibility (paragraph 21);
- (d) the grant should continue to be 75% (paragraph 22) but with time limiting and tapering (paragraph 24);
- (e) a commitment to legislate to widen the scope of section 11 to meet the objectives set out in paragraph 12 II should be made.

If these recommendations are agreed Departments should produce policy guidelines for the allocation of section 11 grant under new arrangements with a view to an announcement in the autumn of the Government's proposals for implementing the reforms.

Home Office

July 1989

(JED 185(2))

SECTION 11 OF THE LOCAL GOVERNMENT ACT 1966

"11. - (1) Subject to the provisions of this section the Secretary of State may pay, to local authorities who in his opinion are required to make special provision in the exercise of any of their functions in consequence of the presence within their areas of substantial numbers of immigrants from the Commonwealth whose language or customs differ from those of the community, grants of such amounts as he may with the consent of the Treasury determine an account of expenditure of such description (being expenditure in respect of the employment of staff) as he may so determine."

SECTION 211 OF THE EDUCATION REFORM ACT 1988

"211. The power conferred by section 11 of the Local Government Act 1966 shall apply in relation to the payment of grants by the Secretary of State to -

- (a) the governing body of a grant-maintained school;
- (b) any person who in pursuance of undertakings under an agreement under section 105 of this Act maintains and carries on or provides for the carrying on of an independent school known either as a city technology college or as a city college for the technology of the arts; or
- (c) the governing body of an institution within the PCFC sector; who, in his opinion, make special provision in consequence of the presence within the locality of the school or the institution of substantial numbers of such immigrants as are described in section 11 of that Act as it applies in relation to the payment of grants to a local authority who in his opinion are required to make such provision in the exercise of any of their functions in consequence of the presence within their area of substantial numbers of such immigrants."

SECTION 11 GRANT : PRESENT RANGE OF FUNDING

Approximately 80% of Section 11 grant presently goes to education provision. Of the remainder the largest single element is devoted to social service activities with lesser levels of grant going to employment services, business development, housing, environmental health, management, administration and services.

Education

The substantial majority of education funding goes towards teaching English to ethnic minority pupils to ensure that they have fair access to the wider curriculum and equal opportunity in achievement. Other initiatives involve teaching English to adults; home/school liaison to encourage potential involvement in school; youth work; improving ethnic minority access to further education and; advice on career opportunities.

Social Services

Section 11 Grant funds social work posts dealing with a variety of needs; isolation of the elderly and women; the effects of culture clash on young people; lack of English which limits knowledge and the use of services available to others; violence in the home, mental illness and child abuse stemming from additional pressures created by linguistic and cultural barriers and fostering and adoption posts sensitive to the high level of support needed by ethnic minorities.

Business Development

Posts are funded, often as a detachment to community based agencies, to encourage ethnic minority business initiatives. The main activities involve bringing business and banks together, advising on business planning and encouraging business activities.

Employment Advice

Grant goes to the provision to reduce disproportionately high levels of unemployment amongst ethnic minorities, mainly due to language barriers, limited skills, work experience and training and lack of opportunity awareness. This provision differs from careers advice in that it is directed at older unemployed rather than school leavers.

Housing

Posts designed to give advice to overcome ethnic minority lack of awareness of housing regulations, benefits and grants, structural maintenance and accommodation options.

Environmental Health

Language barriers and cultural restrictions, particularly among Asian women, centring on the need for extra, specialist support in areas of health (e.g. childbirth, food, hygiene), home safety, consumer advice and road safety (particularly for children and immigrants from rural communities).

Management/Policy/Administration

A range of posts are funded under this heading, included interpretation/translation services, policy and strategy development and posts researching into and planning for ethnic minority need and response.

Leisure Services

Most funding in this area goes into library officers, whose purpose is to encourage ethnic minorities to use the library services. The benefits derived can include improved English, child and family education and a greater awareness of the other services through libraries functioning as an information source.

SYNOPSIS OF SCRUTINY REPORT MAIN RECOMMENDATIONS

(A full summary of recommendations can be found at Chapter 8)

A. Recommendations not involving legislation

1. A specific grant designed to target resources at tackling racial disadvantage, administered by the Home Office should be retained. But there must be a new clarity of direction and urgency about achieving results.
2. The overall aim should be to ensure that local services, particularly those provided by local authorities, are responsive to ethnic minority needs, so that members of the ethnic minorities are able to benefit from the same opportunities as the rest of the population.
4. The relevant government departments should, within the overall aim (recommendation 2) develop a policy for each service area (e.g. education, social services, housing, economic development etc.) which sets out the most effective ways of meeting ethnic minority needs and types of provision that will be funded; drawing upon advice from Inspectorates as appropriate.
- 5/6 Most funded posts should be time limited and the policy should identify priorities within the cash limit.
8. The Government should consult local authority associations and the ethnic minority communities on the basis of the draft policy statement for specific grant.
9. The Home Office should issue clear published

guidance to local authorities setting out policy on the grant and in particular types of post that will not be funded.

10. The primary responsibility for managing Section 11 funded posts must rest with local authorities. The Home Office should hold local authorities accountable for the results achieved.
- 11/12 In consultation with local ethnic minority local authorities should be required to produce three yearly reports identifying, need, the strategy to meet the need, the way in which mainstream resources are being used to meet the need, achievements of Section 11 funded posts and targets for the next three years.
14. The Home Office, in examining the reports from local authorities, should consider blocks of posts, the strategy contemplated and concentrate on results achieved.
16. Better overall management information should be available by comparison of local authority reports. Better links should be built between local authorities, the voluntary sector, other departments, task forces etc. in order to provide a better overall strategy for the payment of grant.
17. Clear guidance must be issued to local authorities on the new system which should include reporting requirements.
19. The first cycle of three-yearly reports should be used to remove those existing posts which do not accord with the newly stated Government policy, and to set timescales for the remainder. (Paragraphs 12 and 13).

20. Visits should be made to local authorities to discuss how plans are working out in practice.
24. The current funding basis of 75% of staff costs should be retained for the moment, but consideration should be given to tapering the rate of grant for existing posts for those local authorities facing significant reductions in the number of posts funded as a result of the new system. (Paragraph 22).
28. Additional staff resources will be required by government departments to ensure effective monitoring of new system.
32. A re-launch of the new Section 11 policy should be given a high profile, emphasising the accountability aspect of the proposals.
35. There should be the opportunity for the ethnic minority communities and the local authorities to comment on the proposals.

B. Recommendations requiring legislation

36. For Section 11 grant to be made available to all ethnic minorities, not just commonwealth.
- 38/39 For the grant to be payable to other organisations and the voluntary sector.
41. For legislation to enable the use of intermediaries, charitable trusts and task forces to administer the grant to the voluntary sector.
42. To extend payment of grant to non-staff costs, materials, accommodation, for the voluntary sector.

STATEMENT OF RACE RELATIONS POLICY AND THE ROLE OF
SPECIFIC GRANT

Race Relations

1. The Government's fundamental objective is that Britain should be a fair and just society, where everyone, irrespective of ethnic origin, is able to participate freely and fully in the economic, social and public life of the nation while having the freedom to maintain their own cultural identities. Members of ethnic minorities, a growing proportion of whom were born in the United Kingdom, are an integral part of British society. Many are British citizens, with the same rights, privileges and duties as all other citizens.

2. This objective cannot be achieved by Government action alone. Good community relations cannot be established by legislation or by administrative measures nor bought by public expenditure means. They must evolve from mutual understanding and respect among people of all races, which in turn requires a freedom from fear of racial violence, hatred or harassment and the removal of other barriers to equality of opportunity.

3. There must be a commitment to achieving these goals on the part of all concerned: central and local government; other public agencies; the private sector both as employers and as providers of services and facilities; the voluntary sector; the media; and of course the ethnic minority communities themselves.

Equality of opportunity

4. Racial discrimination, whether deliberate or inadvertent, direct or indirect, by individuals or by institutions, is manifestly harmful and unjust to its victims. Racial discrimination is also harmful to the nation as a whole because its victims cannot make their full potential contribution to the life and wealth of the nation.

Legislation

5. The Race Relations Act 1976 provides a framework of law to counter racial discrimination, including civil remedies for victims through courts and industrial tribunals. The Commission for Racial Equality has powers to provide assistance for victims of discrimination as well as having a strategic investigative role.

Recent Government action

6. The promotion of good equal opportunities practices is as important as the enforcement of laws against discrimination. A CRE Code of Practice for employment has been approved by Parliament, and a draft code for rented housing is in preparation: the new Local Government and Housing Bill

includes provision for making of codes for other areas of housing. The Government as an employer is setting an example in the development of equal opportunities policies, supported by appropriate training and monitoring. The relevant Departments and the Commission for Racial Equality work with national and local bodies to promote good practice in employment and in the provision of such services as education, housing, training for employment and enterprise.

Freedom from fear

7. Nobody in Britain should experience fear or intimidation because of their race or culture. The Government has strengthened the law on incitement to racial hatred in the Public Order Act 1986, and is supporting firm action by the police and other agencies to deal with racial attacks and harassment.

Participation

8. The Government welcomes the contribution to national life already being made by many members of ethnic minorities, and positively encourages members of ethnic minorities to become active citizens, participating in and contributing to mainstream economic and social development. It supports programmes designed to develop confidence, competence and self help among members of the ethnic minorities, to ensure fair access to services and training for employment and to encourage enterprise.

9. Visible participation by individuals from the ethnic minorities in public life demonstrates both to their communities and to the nation as a whole the contribution those communities are capable of making in Britain. Public appointments policy makes an important contribution to the encouragement of individuals from the ethnic minorities to participate further in public life.

Strategy for meeting ethnic minority needs

10. The Government believes that ethnic minority needs should wherever possible be met from main public sector programmes, since the basic needs of members of ethnic minorities for education, employment, training, housing, health or social services are common to the rest of the community. Members of ethnic minorities contribute through tax and other charges to the funding of main public sector programmes, and are fully entitled to expect that in planning and delivering services for the community as a whole central and local government will take the presence of ethnic minority communities into account and make fair and appropriate provision, as for any other citizen.

11. The Government's inner cities policies, outlined in Action for Cities and Progress on Cities, are already benefiting members of the ethnic minority communities, along with others living in the areas where regeneration is taking

place. Initiatives under way, including the Ethnic Minority Business Initiative, will help to improve access to employment and stimulate enterprise development, enabling members of the ethnic minorities to continue to make an increasingly full and valuable contribution to the economy.

12. In addition, the Government aims to ensure that central government funding programmes, such as the Training Agency's programmes, provide equal access for members of ethnic minorities. Funding programmes such as the Urban Programme and grant programmes for the voluntary sector also seek to provide equal opportunities for multiethnic or ethnic minority run projects.

13. The Government believes that voluntary organisations run by members of the ethnic minority communities, had an important contribution to make.

The role of specific grant

14. Although the aim is eventually to make all main funding programmes sufficiently responsive to the needs of the whole community, including the ethnic minorities, the Government considers that there is at present a continuing need to make strategic provision for certain needs particular to the ethnic minorities.

15. The main existing programme of assistance with specific ethnic minority needs is the grant administered by the Home Office under section 11 of the Local Government Act 1966, which currently provides more than £100 million a year to local authorities as a 75% subsidy for posts set up to meet the special needs of 'Commonwealth immigrants'. Until now it has been largely left to local authority initiative to propose how the grant should be used.

16. The Government considers that the appropriate use of section grant is to make targeted provision to overcome barriers to individuals from ethnic minorities gaining full access to main services and benefiting fully from opportunities for educational, economic and social development. Such barriers arise from a number of factors, in particular:-

(a) language - some individuals are disadvantaged by lack of fluency or literacy in English. While this situation continues there will be a need for special provision of English tuition both at school and for adults, as well as a need for translation and interpretation services.

(b) economic differences - there is a need for special support for initiatives to enable members of ethnic minorities to overcome disproportionate economic disadvantage and gain equal access to business, employment and training opportunities.

(c) educational under-achievement - pupils from some communities are disadvantaged by significant under

achievement in comparison to other pupils from a similar social background. There is scope for well-targeted help to improve attainment.

(d) difficulties of access to general services and facilities - groups with different backgrounds and culture may continue to need help to understand and gain access to the services and facilities available in Britain;

(e) social and cultural differences - service or training providers need to take account of some communities' traditional cultures and the difficulties their members face in adjusting to the social and cultural norms of British society. Special provision may sometimes be required to facilitate wider participation and to deal with problems arising from differences of expectations.

17. While the Government acknowledges that benefits derive from the maintenance of the religious, artistic and cultural traditions and language of the ethnic minority communities, it does not consider section 11 grant to be an appropriate source of support for initiatives aimed solely at such purposes.

18. The Government reaffirms that special provision funded from section grant should not be seen as a substitute for making services funded from main programmes responsive to ethnic minority needs. The fact that a post or unit deals mainly with people from ethnic minority groups does not itself justify specific grant. Nor can the creation of specialised posts with specific funding be an adequate strategy for promoting equality of opportunity in local authority employment. Local authorities seeking funding under section 11 will be required to show that they have a practical strategy for working towards making the whole range of their services responsive to the needs of the whole community.

Conclusion

19. The Government places a high priority on the promotion of genuine equality of opportunity for all, regardless of racial or ethnic origin. With the proper targeting of resources, section 11 grant can make an effective contribution to achieving the Government's fundamental objective of a racially fair and just society.

I

S11 EDUCATION GRANT

Grant would be paid by the Secretary of State against the parameters of the policy statement at II, which would be published.

The detailed operational arrangements would be as set out at III. In summary:

1. Applications for grant would be put forward by LEAs, schools and colleges subject to
 - i. the preparation by the LEA on behalf of its schools and colleges of a detailed and considered plan;
 - ii. agreement with individual schools and colleges;
 - iii. consultation with local voluntary agencies and ethnic minority groups.
2. The first priority would be English language provision. Grant for this and all S11 purposes would be made only where it was demonstrated that mainstream provision was inadequate. It would be:
 - i. targeted specifically to overcome educational disadvantage of ethnic minority pupils and students;
 - ii. geared at practical work in individual institutions;
 - iii. time limited;
3. Grant would be
 - i. subject to annual review by DES;
 - ii. monitored by reference to performance indicators and output targets;
 - iii. withdrawn if an LEA's progress report was unsatisfactory.
 - iv. terminated when a continued need could not be demonstrated.

EDUCATION: STATEMENT OF POLICYA. AIMS AND OBJECTIVES

1. The Government's aim for Section 11 funding in education is that it should be used to remove barriers to true equality of educational opportunity for ethnic minority groups, where mainstream programmes alone are not sufficient to remove those barriers. The education service needs to equip ethnic minority groups with the knowledge, skills and understanding they require to participate fully and on equal terms in all aspects of British life while maintaining their own cultural identity. Specific objectives for Section 11 funding are as follows:-

In Pre-School, Primary and Secondary Education

- to enable ethnic minority pupils aged under 5, particularly those whose mother tongue is not English to gain the language competence and learning skills necessary for the early years of primary education;
- to give school age children whose mother tongue is not English a command of English which, as far as possible, is equal to that of their peers;
- to help school age children from ethnic minorities to achieve at the same level as their peers in all areas of the curriculum;
- to strengthen ties between schools and the parents of ethnic minority pupils, where those ties are hard to establish because of parents' lack of English or because of cultural or social factors, so as to enable parents to become more fully involved in the education of their children and in the work of the schools;
- to offer ethnic minority pupils pastoral support in school which meets their needs.

In the Youth Service

- to encourage the adaptation of traditional provision or the development of new provision to attract young people from ethnic minority groups, whose disadvantages have not been or cannot be remedied through formal education to benefit from the opportunities provided informally through the youth service to improve their basic skills and competencies, confidence and motivation, so as to increase access to formal further education, training and employment and participation as active citizens in the social and political life of the nation;
- to provide training for young people from ethnic minority groups to qualify fully as youth leaders under approved schemes of training and for youth workers

intending to take up posts with ethnic minority groups to improve their skills and approaches so as to increase the effectiveness and appropriateness of youth service work with ethnic minority groups;

In Further and Higher Education

- to give ethnic minority pupils a second chance to gain the educational qualifications they need to enter courses of further or higher education, including teacher training courses;
- to give students whose mother tongue is not English at least a basic knowledge of English, and other additional support in English to meet the needs of the educational or vocational course they are attending;
- to encourage the increased participation of ethnic minorities in further and higher education, including teacher training, and to develop recruitment, counselling, teaching and curricular approaches attuned to gaining the involvement of such groups and meeting their particular needs and requirements;
- to enable ethnic minorities to gain entry to educational and vocational courses in FHE which lead to professions where they are currently under-represented through further study, and access and conversion courses which accredit experience and prior learning.

In Careers Education and Guidance

- to extend the scope and sharpen the focus of careers education and guidance for young people of ethnic minority communities; so widening awareness of educational, vocational and employment opportunities available to them.

In Adult Education

- to give adults from the ethnic minorities who have an inadequate command of English or who lack other skills in numeracy or literacy, sufficient knowledge of English and other basic skills to compete for jobs and to participate fully in society.

B. STRATEGIES

2. For maintained provision the Government will expect local education authorities to specify which ethnic groups are present in their areas, what their needs are, and how far their needs are being met by mainstream education programmes in schools, nursery classes, the youth service, further and higher education, and adult education. Against that background local education authorities will need to identify the additional needs for which Section 11 funding is requested, and which cannot adequately be met from mainstream provision. In specifying these needs they are to show that they have taken account of the views of local community groups.

3. Needs should be identified in terms of one or more of the policy objectives mentioned above. An LEA's strategy will be approved only if the needs have been so identified. The Secretary of State will approve strategic plans for payment of grant for a period of 3 years subject to the submission of satisfactory annual progress reports indicating that performance targets have been met.

Schools: General

4. The Government will expect local education authorities, having consulted all schools with a significant number of ethnic minority pupils, to specify the schools in which the need arises, and to put forward practical plans to meet those needs which have been drawn up in consultation with the heads and governors of the schools concerned. Section 11 funds will generally be made available only for work in identified schools subject to prior agreement by those schools, following consultation with the relevant governing bodies and headteachers.

5. Section 211 of the Education Reform Act 1988 enables Section 11 grant to be paid direct to Grant Maintained schools and City Technology Colleges. These institutions will be entitled to bid for Section 11 funding, subject to confirmation of their ability to make sufficient funds available to meet the requirements of their bid. They must also be prepared to supply in respect of their institutions any information which, in the case of a bid from an LEA, would be required for LEA-maintained institutions.

English Language Support in Schools

6. Local education authorities will be expected to say how many ethnic minority pupils there are in their schools and what their language needs are; and how ESL support teachers and bilingual assistants will be deployed to meet those needs. They will be required to monitor the performance of ethnic minority pupils in English against National Curriculum attainment targets and report the outcome at regular intervals. The performance in English of pupils who have received language support and those whose mother tongue is English should be compared.

7. Work will need to be school-based to qualify for grants and whenever possible should be in the mainstream classroom.

8. Work in this area will normally be given a high priority by the Government in considering applications. It will be funded for the period which seems appropriate in the light of schools' expected future intake of pupils, subject to the LEA providing satisfactory annual reports on performance against targets.

Raising Achievement of Ethnic Minorities

9. Local education authorities will be expected to say how many ethnic minority pupils there are in their schools, and in what areas of the curriculum they are failing to achieve at the levels of other pupils. They will be required to set out school-based strategies for raising the level of achievement of pupils in those particular areas. Applications will need to specify the subjects in which schools would aim to raise achievement, the evidence of need, and the methods by which achievement is to be raised.

10. National Curriculum attainment targets and assessment arrangements should be used to measure the progress of ethnic minority pupils in the specified subjects. Schools will be expected to report on the performance of pupils who have received support in comparison with their past performance or the performance of groups who have not received support.

11. The Department will not fund programmes aimed at raising achievement generally through multicultural approaches. Local education authorities will need to present the case for expecting that particular methods will raise performance in a particular subject. The Department will be prepared to consider funding projects which test a number of alternative methods for raising performance, or projects intended to explore the reasons for under-achievement in a particular subject.

12. Work in this area will be funded for the period necessary to embed new practice into mainstream provision, not exceeding 5 years unless exceptional circumstances make continuing support appropriate. Schools and LEAs will be expected to show what steps will be taken to adjust mainstream programmes to take account of changes in teaching approaches flowing from work of this kind. Priority will be given to funding those schemes designed to enable experience to be transferred to other areas.

Strengthening Ties Between Schools and Parents of Ethnic Minority Pupils

13. Local education authorities will be expected to say how many ethnic minority pupils there are in their schools, and what special problems arise in establishing contact with them. They will be required to set out a school-based plan for establishing contact with parents. This could include regular visits to the home, schemes to involve parents in the child's work and/or arrangements for encouraging parents to come to the school. Arrangements to attract parents to school could include the provision of courses for parents, or programmes to include parents in classroom activity.

14. Local education authorities will be required to set targets for improving school links with parents of ethnic minority pupils, and to report on performance against those targets.

Targets should measure the amount of contact and the quality of contact, and should give an indication of how pupils' performance has been affected.

15. Work in this area will be funded for the period which seems appropriate in the light of the schools' expected future intake of pupils, subject to the LEA providing satisfactory reports on performance against targets at annual intervals.

Pastoral Care, Careers Guidance, and other Applications to Provide Special Support to Ethnic Minority Pupils in School

16. Work in this area might prompt developments in dialogue between schools/institutions and the ethnic minority communities on the range of opportunities young people from these communities might follow, and in the relevance of the teaching and counselling of these young people by such means as limited term appointments of advisory teachers.

17. In all cases applications will need to specify what the need is and why the service does not already meet it. They will need to show how the new methods and approaches to be developed in the course of the project will be absorbed into mainstream work. Performance targets will be required.

18. Work in this area will be funded for a limited period of usually no more than 3 years. At the end of that time the local education authority will be required to confirm that the project has led to changes in the delivery of the relevant mainstream programme.

Youth Service: Participation

19. The Government expects local authorities to provide evidence of numbers and concentrations of ethnic minority young people in the priority youth service age group (14-20 year olds), showing how the level and type of provision would be related to the target groups (ie numbers of youth clubs and projects, proposed out-reach and detached youth work provision in particular localities, provision through partnership between voluntary and statutory sectors of the youth service). This would need to be linked with evidence of lower participation rates for ethnic minority young people in traditional youth service provision, an analysis of the reasons for this and clearly identified objectives for increased participation.

20. Examples of objectives for which local authorities could receive funding might include:

- i. addressing higher unemployment rates amongst particular minority ethnic groups by providing opportunities for constructive activity to build motivation, confidence and vocationally-related basic skills;
- ii. addressing integration in the community/better understanding between communities by carefully structured proposals for youth work to bring together young people from different ethnic

backgrounds who are in conflict or not integrating with each other.

- iii. providing developmental experiences for ethnic minority young people who would otherwise not have access to these for cultural reasons (ie young Asian women who through confinement to the family group, may have restricted access to social meetings, participation in sports, visits, adventure training and so on).

21. The period of funding will be related to the appropriate period for affecting significant change in the use of youth service provision in particular localities. Targets would relate to increasing the numbers of ethnic minority young people participating in provision and demonstrating appropriate outcomes (eg increases in the proportion of ethnic minority young people entering FE, vocational training, obtaining employment).

Youth Service: Training Youth Workers

22. If they are concerned that routes involving full-time college courses of training away from home may deter members of ethnic minority groups from applying for such training, local education authorities may put forward proposals for appropriate alternative forms of training. These should be based on the number of ethnic minority young people with appropriate experience, skills and motivation and the availability of appropriate employment. LEAs will need to satisfy DES that the proposed schemes could assist demonstrably under-achieving ethnic minority young people to enter professional employment and that they will be unlikely to achieve this by existing routes.

23. The period of funding would be three years and the schemes would be evaluated in relation to their success in obtaining CETYCW endorsement, and the numbers of trainees who completed the course and achieved qualified youth and community workers status.

Further and Adult Education

24. The Government will expect bids for work in particular FE and AE colleges and centres to be set in the context of a needs analysis undertaken as part of authority-wide strategic planning exercises and to indicate how such bids would fit in with other planned or existing activities and initiatives. Separate alternative courses will not be eligible, but pump-priming proposals with clear objectives and built in monitoring and evaluation designed to increase access to FHE or to lead into specific types of employment or vocational training will be considered. The reasons why such outcomes cannot be achieved under existing mainstream provision would need to be clearly explained and specific targets for increased participation set.

Higher Education including Teacher Training

25. Very few posts are funded in this area at present but the Government would not rule out short term schemes aimed at increasing participation, especially where mainstream courses are constructed and organised in ways which are not helpful to ethnic minority students. Under Section 211 of the Education Reform

Act, polytechnics and colleges in the PCFC sector will be entitled to bid for Section 11 funding, subject to confirmation of their ability to make sufficient funds available to meet the requirements of their bid. Schemes would need to indicate why mainstream provision is not meeting current needs; be time limited with a clearly defined migration path to mainstream provision; and define performance targets for increased participation (eg. increases in the number of ethnic minority students entering teaching).

DES OPERATIONAL ARRANGEMENTS

Introduction

1. Under the proposed new arrangements, the Secretary of State for Education and Science would decide upon the allocation of Section 11 grants for educational provision. Provision supported under the existing Section 11 arrangements would only be continued if approved by the Secretary of State. The operation of the new arrangements would be based on new bidding and reporting systems.

The bidding system

2. The DES would invite bids from LEAs, and other eligible bodies (see paragraph 7 below), for Section 11 funding, in parallel with Home Office invitations to local authorities in respect of other services. Bids would be based on strategic plans for Section 11 education provision over the forthcoming three years: the plans would be updated every year, providing an annual rolling three-year plan. To be eligible for consideration, bids would have to meet the criteria laid down in the DES Statement of Education Policy for Section 11, which inter alia defines the range of educational activities for which Section 11 grant would in future be paid.

3. LEA bids would have to describe the authority's strategy for overcoming educational disadvantage among ethnic minority pupils and students in their area. They would set out numbers of ethnic minority pupils and their particular problems. The bids would have to demonstrate the extent to which Section 11 provision was needed, in addition to mainstream provision, in order effectively to tackle these problems. Posts funded under Section 11 would generally be based in a particular school or college.

4. The Education Policy Statement would make it clear to authorities that Section 11 should no longer be seen as a source of support for an indefinite period. For many activities, Section 11 support would normally be limited to three or five years.

5. LEAs would be required to consult widely in preparing their bids. They would have to satisfy the Department that they had consulted, and paid due regard to the views of, the ethnic minority communities in their area. They would similarly have to demonstrate that they had consulted all schools which had a significant number of pupils from ethnic minority communities; and report on those consultations. They would need to have secured the agreement of all the schools and colleges where it was proposed that Section 11 staff should be based.

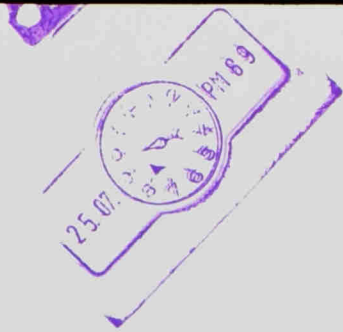
The reporting system

6. LEAs would be required to submit annual progress reports to DES, along with updates of their Section 11 education plans (see paragraph 2 above). For some activities (home-school links, for example) reporting would have to be based on performance against

targets agreed for the purpose between the LEA and the Department. For others, including the key areas of ESL and the tackling of underachievement in foundation subjects of the National Curriculum, progress would be measured against National Curriculum assessment arrangements and attainment targets. Where DES Ministers judged progress to be unsatisfactory, future years' grant could be reduced or withdrawn.

Institutions not maintained by LEAs

7. Grant-maintained schools, City Technology Colleges and polytechnics and colleges in the PCFC sector will be eligible to bid direct for Section 11 grant and will not have to go through an LEA. These institutions would have to supply, in their bids and reports, such information as would be required of an LEA in respect of an LEA-maintained institution.



1111



cc Backup

B

PRIME MINISTER

SCRUTINY OF SECTION 11 OF THE LOCAL GOVERNMENT ACT 1966

MEETING AT NO 10, 27 JULY 1989

You are to chair a meeting before Cabinet on 27 July to discuss the handling of the report on the Scrutiny of grants paid under Section 11 of the Local Government Act 1966. The Home Secretary has circulated a paper as the basis for the discussion. Present at the meeting in addition to the Home Secretary will be the Secretaries of State for Education and Science, Mr. N. Sturt, Employment, Environment and Health, the Lord President, the Secretary of State for Wales, the Chief Secretary, the Chancellor of the Duchy of Lancaster and Professor Brian Griffiths.

+ John Pitter

DECISIONS

2. The main issues for decision are set out below. They reflect the conclusions in paragraph 26 of the Home Secretary's paper. You may wish to take them as the basic agenda for discussion. Some desirable changes - for example to enable the payment of grant directly to voluntary organisations - will require legislation: others can proceed ahead of it. Against that background, you may wish the meeting to:

(a) Confirm that immediate steps should be taken, ahead of legislation, to reform the administrative and policy framework for the allocation of Section 11 grants on the lines proposed by the Scrutiny. In addressing this issue, the meeting will in effect be endorsing the recommendation of the Scrutiny that a specific grant designed to meet the special needs of the ethnic minorities should continue, but that the administration of the grant needs tightening up substantially.

(b) Agree that a primary aim should be to move away from the present position in which, as required by the terms of Section 11, local authorities are the sole means of delivering specific grant to meet ethnic minority needs, to one in which funding is also delivered through voluntary organisations and other intermediate bodies such as Task Forces, City Action Teams and Training and Enterprise Councils. Within the present legislative framework CATs, TECs and Task Forces could be given influence on the way grant is spent but could not become delivery mechanisms. Specifically, the Home Secretary suggests that local authorities could be encouraged to sponsor applications from voluntary and other organisations, or a proportion of grant could be reserved for applications from such bodies via local authorities.

(c) Consider whether, as proposed by the Home Secretary, administrative responsibility for grant expenditure on education should be devolved to the DES, and all grant expenditure in Wales to the Welsh Office, with the Home Office retaining co-ordinating responsibility. This was not recommended by the Scrutiny. Sir Robin Butler is providing advice separately on this machinery issue.

(d) Consider whether, as recommended by the Home Secretary, the rate of grant should continue to be 75%, but with provision for grant to be time-limited and tapered to ensure that it is used for innovative purposes and does not become routine provision. The Chief Secretary has suggested that a lower rate might be appropriate.

(e) Agree that legislation should be introduced, when opportunity affords, to widen Section 11 so that voluntary and other organisations can be used directly as vehicles for grant delivery and to remove the present restriction of the grant to Commonwealth immigrants.

3. The Home Secretary proposes that he should make a substantive announcement in the Autumn of the Government's

intentions, including a commitment to legislate. Departments would be required to produce policy guidelines for the allocation of Section 11 grant as a preliminary to the announcement, which would be followed by consultation with the local authorities and others on the detailed administrative procedures to be introduced under the new arrangements. You will wish to ensure that colleagues are content to proceed in this way.

BACKGROUND

4. Section 11 of the Local Government Act 1966 enables the payment of specific grant on staff expenditure to local authorities who, in the Secretary of State's opinion, are required to make special provision in the exercise of any of their functions in consequence of the presence within their areas of substantial numbers of Commonwealth immigrants. Over £100 million of grant is expected to be paid to local authorities this year, about 80% of which will go towards educational provision.

5. The Scrutiny of Section 11 concluded that there was continuing need for specific grant provision, but that the present system of grant allocation needed substantial improvement in order to ensure that the money involved was used effectively. It proposed the establishment of a clear framework of Ministerially-approved policy statements within which grant allocation could take place, with the introduction of cash limiting and of a rolling 3-year programme of reporting by and funding of local authorities receiving grant. In the longer term, it recommended legislation to remove the restriction in Section 11 to Commonwealth immigrants and to allow the grant to be paid direct to the voluntary sector.

6. The Home Secretary circulated the report of the Scrutiny on 11 May, proposing adoption of the Scrutiny recommendations but additionally recommending that the DES should assume responsibility for administering the education element of Section 11 under the new system. The Secretary of State for Education endorsed this conclusion and the Welsh Secretary asked that his Department assume responsibility for all aspects of the

administration of Section 11 grant in Wales. Your Private Secretary's letter of 19 May welcomed the analysis and a number of the detailed recommendations of the Scrutiny. It indicated, however, your wish to consider whether additional changes could be made to improve the effectiveness of the help provided to ethnic minority communities. In particular you -

i. Recognised the case for making changes in the departmental responsibility for education expenditure under Section 11, but wished to see detailed proposals on how this would operate, including the links with and reporting back from the local education authorities.

ii. Wondered whether changes should be made for other elements of Section 11 spending. For example, funding of training and economic development projects might be linked more closely with bodies such as Training and Enterprise Councils and Inner City Task Forces.

iii. Favoured giving a larger role to the voluntary sector, relative to local authorities, in the funding and operation of community projects.

The Home Secretary's paper is his response to these points. Meanwhile, the Home Secretary published the Scrutiny report on 29 June, noting that it demonstrated that there was a continuing need for special provision to overcome barriers to members of ethnic minorities benefitting fully from opportunities for educational, economic and social development. The Home Secretary's announcement said that the Government was giving further consideration to the changes which needed to be made to improve the effectiveness of the help given to ethnic minority communities by services funded by Section 11 grant.

MAIN ISSUES

Policy and Role of the Grant

7. The Scrutiny found a continued justification for the grant. You will wish to establish that colleagues agree with this conclusion. Assuming that they do, it is important that there should be a clear statement of how Government perceives the role of the grant. At Annex D to the Home Secretary's paper is a draft statement of race relations policy and the role of specific grant. This describes the appropriate use of the grant as being to make targeted provision to overcome barriers to individuals from ethnic minorities gaining full access to main services and benefitting fully from opportunities for educational, economic and social development. You will wish to ensure that colleagues are content with this policy statement.

Proposals for Immediate Reform

8. Paragraph 12 of the Home Secretary's paper identifies a number of proposals for change, as recommended by the Scrutiny, some of which can be implemented ahead of legislation. They include:

- i. development of an overall policy framework for the allocation of the grant;
- ii. imposition on local authorities of the requirement to prepare strategic assessments of ethnic minority need in their areas;
- iii. time limited allocation of the grant in accordance with criteria and priorities laid down from the centre;
- iv. assessment of performance in accordance with a new system of 3-year rolling review reports.

You will wish to ensure that colleagues are content that these changes should be introduced as soon as possible.

Changes Involving Legislation

9. Paragraph 8 of the Home Secretary's paper notes the limitations which Section 11 places on the use of the specific grant. It can only be paid:

- (a) to local authorities;
- (b) for staff costs incurred on special provision needed because of the different language or customs of Commonwealth immigrants.

You may wish to establish that colleagues are agreed that in the long term the aim should be to remove these restrictions. This will require legislation for which there is no immediate vehicle in prospect. (The Local Government and Housing Bill currently in the Lords is already the subject of considerable amendment and it would be very difficult to add any substantial new provisions to it at this stage.) You may wish to invite the Home Secretary to put forward proposals for legislation to amend Section 11 as part of his bids for the 1990-91 legislative programme.

10. Paragraph 12.(v) of the Home Secretary's paper notes that there is scope within existing legislation for increasing the funding of voluntary organisations and the distribution of funds through Task Forces, City Action Teams and Training and Enterprise Councils, either by encouraging local authorities to sponsor applications from them, or by reserving a proportion of grant for application via local authorities from them. You may wish to endorse proceeding on this basis ahead of a Bill.

Departmental Responsibility

11. Sir Robin Butler is providing separately advice on the proposal in the Home Secretary's paper that administrative responsibility for expenditure on education should be devolved to DES, in Wales (including education) to the Welsh Office, with the Home Office retaining coordinating responsibility.

For what purpose?

Rate of Grant

12. In his letter of 5 June, the Chief Secretary suggested that the Scrutiny report indicated scope for considerable savings on present expenditure on Section 11 grant. He questioned whether the report provided a proper justification for continuing to pay grant at the rate of 75%, which was not only high relative to most specific grants, but provided a powerful incentive to local authorities to seek to provide an increasing number of Section 11 posts in the knowledge that they would only have to pick up a small part of the bill. The Home Secretary recommends, however, that the rate of grant should continue to be 75% - the same as grant under the urban programme - on the basis that the purpose of the grant is to encourage innovation to meet needs outside the main stream. The Home Secretary suggests that, provided there is more rigorous targeting of the grant and it is time-limited in order to ensure that it does not become routine provision, it would not be appropriate to reduce the present rate of grant.

13. The Home Secretary also recommends that the rate of grant payable to voluntary bodies, if they were funded direct out of Section 11 grant, should be flexible in recognition of the fact that the complementary sources of funding will vary. You will wish to establish precisely what the Home Secretary has in mind by this (does he envisage a rate higher than 75% in some cases?). You will also wish to establish that the Chief Secretary is content with this proposal and with the Home Secretary's suggestion that the rate of grant generally should remain at 75%.

Public Expenditure Implications

14. The Chief Secretary's letter of 5 June expressed some concern that some of the Scrutiny recommendations requiring legislation might have a significant impact upon public expenditure, for example the extension of Section 11 grants to all ethnic minorities and the payment of grant to the voluntary sector. There is, however, no necessary reason why increased expenditure, rather than a reallocation of existing resources,

should be a consequence of the proposed changes. Paragraph 25 of the Home Secretary's paper notes that the recommended improvements in the control and monitoring of Section 11 expenditure will require some strengthening of central government staff. The level of provision for Section 11 will fall to be considered in the public expenditure survey in the usual way although an alternative option avoiding increased central government staffing might be (as with the recently announced community care proposals) to channel grant through local authorities while preventing them from spending it on their own services.


TIMING OF ANNOUNCEMENT

15. Announcement of the Government's conclusions on the report provides an opportunity for a major statement on the Government's race relations policy, and will be tangible evidence of the Government's continuing commitment to resolving the particular problems facing the ethnic minorities. You may wish to explore with the Home Secretary what precisely he envisages by way of the timing and format of an announcement of the Government's conclusions. Provided that the necessary work can be undertaken, there would seem, for example, to be no bar to an announcement of the Government's intentions during the latter part of the summer recess.

HANDLING OF MEETING

16. You may wish to invite the HOME SECRETARY to introduce his paper and then work through the conclusions in paragraph 26 in the light of the points noted above. The SECRETARY OF STATE FOR EDUCATION AND SCIENCE and the WELSH SECRETARY have a particular interest in the possible transfer of departmental responsibility for various aspects of Section 11 grant from the Home Office to their Departments, although this machinery issue is of course for decision by you alone, and you may wish to make clear your

decision on it to the meeting at the outset. The CHIEF SECRETARY will be concerned about the possible expenditure implications of the Home Secretary's proposals, in particular his suggestion that grant should continue to be paid at 75%. The CHANCELLOR OF THE DUCHY OF LANCASTER will have a general interest in the Home Secretary's proposals from the point of view of the successful presentation of the Government's inner cities policies, and a specific interest in the possible involvement of Task Forces and City Action Teams as intermediaries in the grant-giving process. The LORD PRESIDENT will be able to offer a view if required on the timing of legislation to amend Section 11.

A handwritten signature in dark ink, appearing to read 'P J C Mawer', with a long, sweeping underline that extends to the right.

P J C MAWER

21 July 1989

CONFIDENTIAL

PA

PRIME MINISTER

SECTION 11 FUNDING

Earlier in the year you discussed with Brian Griffiths the outcome of a scrutiny report on Section 11 Funding, i.e. expenditure of some £100 million which is channelled in various ways to ethnic minorities. You asked for further work to be done in this area, with a view to a meeting with colleagues in July (see my letter at Flag A).

That meeting is now scheduled for next Thursday. Over the weekend you may like to have a first glance at some of the papers:

Flag B - the main paper co-ordinated by the Home Office

Flag C - Cabinet Office brief

Briefing from Brian Griffiths will be available next week.



Recd.

PAUL GRAY

21 July 1989

It is a paper full
of paper amendments please
not

cat.u

The Rt. Hon. Tony Newton OBE, MP
Chancellor of the Duchy of Lancaster and
Minister of Trade and Industry

Rt Hon Douglas Hurd MP
Home Secretary
Home Office
50 Queen Anne's Gate
LONDON
SW1H 9AT

**Department of
Trade and Industry**

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ABPM

ALCB

197

Direct line
Our ref
Your ref
Date

215 5147

19 July 1989

In Douglas

*with request
for members
of request*

SECTION 11 SCRUTINY

Thank you for copying to me your letter of 14 July to Kenneth Baker in which you sought comments on your paper setting out ways in which Section 11 could be more effectively targetted, which is to be discussed at the 27 July meeting with the Prime Minister.

I am content with the general thrust of the paper. In particular I welcome the recommendation that Task Forces and CATs should have a role to play in administering Section 11, provided this can be reconciled with their objectives and resources.

Copies of this letter go to the Prime Minister, other Members of H Committee, the Attorney General, the Minister for the Arts, Sir Robin Butler and Sir Angus Fraser.

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TONY NEWTON

RC4ACQ



Recycled Paper

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

20 June, 1989.

*postponed
until 27 July*

Dear Helen,

Further to my telephone call I am writing to confirm that there will be a meeting on Section 11 Funding at 9 o'clock on Wednesday, 12 July. The meeting will last one hour.

I am sending copies of this letter to the Diary Secretaries to the Chief Secretary, Lord President, Chancellor of the Duchy of Lancaster, and the Secretaries of State for Education and Science, the Environment, Health, and Wales, and to Philip Mower (Cabinet Office).

Yours

Amanda

(Mrs. Amanda Ponsonby)

Miss Helen Murray,
Home Office.

PG 12 July?
~~Handwritten scribble~~

10 DOWNING STREET

Early/mid July

Section II funding

HS	9/11	1 hour
x DES	9/11 ^{not}	(1100)
x CS	9/11	9.00
x hd Pres	9/11	
DOE	9	
Ms Newton	9/11	
x DOH	9/11	
x Welsh	9/11	
+ Philip Mower		- Cab off
+ BG	← (bcc)	



ccBG JD

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

16 June, 1989.

Dear Peter,

SECTION 11 OF THE LOCAL GOVERNMENT ACT 1966

Thank you for your letter of 13 June which the Prime Minister has seen. She is content with the Home Secretary's proposal to publish the report on 29 June and to give a Parliamentary Answer on the lines suggested.

I am copying this letter to the Private Secretaries to the members of H Committee, the Attorney General, and the Minister for the Arts, and to Sir Robin Butler and Sir Angus Fraser.

Yours,
Paul

Paul Gray

Peter Storr, Esq.,
Home Office.

R

PRIME MINISTER

SECTION 11 OF THE LOCAL GOVERNMENT ACT 1966

You were puzzled at the thinness of the attached proposed announcement on Section 11.

You may recall that you saw an earlier minute from the Home Secretary on this subject last month. At that stage he proposed to publish the scrutiny report on Section 11; and at the same time to make a substantive statement broadly endorsing its recommendations and proposing a transfer of responsibility for some of the expenditure to DES. Following advice from Brian Griffiths, you asked for further work to be done on this whole area before a substantive statement and indicated you would like to take a meeting. We are now arranging that for July. But you agreed that, meantime, the report itself could be published.

So the point of the Home Office letter attached is simply to accept that no substantive statement can be made at this stage, and propose the report itself should be published at the end of this month simply indicating the Government is giving further consideration to the possibility of changes.

Content?



(PAUL GRAY)
15 June 1989

celo



HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

13 June 1989

*What announcement?
that there will be
"further consideration"?*

*Prime Minister
Contact with the terms of
the proposed announcement?*

Dear Paul,

*PRCG
14/6*

SECTION 11 OF THE LOCAL GOVERNMENT ACT 1966

Thank you for your letter of 19 May giving the Prime Minister's views on the Home Secretary's proposals for publication of the scrutiny report.

The Home Secretary proposes to publish the report on 29 June. I enclose a draft of an Arranged Parliamentary Question in which he proposes to announce the publication, indicating that the Government is still considering further action.

I can confirm that we are preparing, in conjunction with other interested Departments, a paper for discussion at the Prime Minister's meeting in July. The Home Secretary was grateful for the comments on his proposals which have been received from other Ministers. We shall be taking these into account in preparing the paper.

I am copying this letter to the Private Secretaries of members of H Committee, the Attorney General, the Minister for the Arts, Sir Robin Butler and Sir Angus Fraser.

Yours sincerely,

Paul Storr

P R C STORR

DRAFT ARRANGED PQ

: To ask the Secretary of State for the Home Department if he will publish the report of the recent scrutiny of grants under section 11 of the Local Government Act 1966.

DRAFT REPLY: Mr Hurd

The report of the scrutiny of section 11 grant is being published today, and a copy has been placed in the Library.

The Government welcomes the report's thorough analysis of the way in which the grant system operates. The report demonstrates that there is a continuing need for special provision to overcome barriers to members of ethnic minorities benefitting fully from opportunities for educational, economic and social development. The Government is giving further consideration to the changes which need to be made to improve the effectiveness of the help given to ethnic minority communities by services funded by section 11 grant.

HONG AFFAIRS: Laci Celabias PTZ



dti

the department for Enterprise

The Rt. Hon. Tony Newton OBE, MP
Chancellor of the Duchy of Lancaster and
Minister of Trade and Industry

Rt Hon Douglas Hurd MP
Home Secretary
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Direct line 215 5147

Our ref

Your ref

Date

7 June 1989

Jean Douglas

File with PG

In your 11 May letter to Kenneth Baker, copied to H Committee colleagues, you sought views on your proposal to publish the Section 11 Scrutiny Report and on your other suggestions for follow up action. I have also seen PS/Prime Minister's letter to your Private Secretary of 19 May.

I very much welcome the stress the report lays on the need for Section 11 to be effectively targetted and for its use to be properly monitored. Your proposals fit in very well with our Action for Cities strategy since a high proportion of ethnic minority communities reside in our inner cities.

I agree, therefore, with your proposal to publish the Scrutiny Report.

Turning to your other proposal, I also support your suggestion that officials from the Departments concerned should prepare detailed policy statements outlining the type of provisions considered appropriate for Section 11 funding, as the basis for advice to local authorities.

The final shape and content of such statements and advice will, of course, have to be determined in the light of the conclusions reached at the meeting the Prime Minister is calling in early

SB4AAE



Home affairs - Race Relations
May 1986

dti

the department for Enterprise

July, to consider among other things whether Section 11 funding of training and economic development projects would be linked more closely with bodies such as TECs and Inner City Task Forces. Since both Task Force and City Action Team projects have been supported by Section 11, I would certainly hope that, as a minimum, the guidance would encourage local authorities to consult, where appropriate, both bodies - particularly on projects of an economic/training nature. This will help promote the effective targetting of ethnic minority groups living in some of our most difficult inner city areas.

Finally, I would like to use this opportunity to draw your attention to the fact that under the present Section 11 regime, a number of local authorities are experiencing difficulties in obtaining approval for bids associated with Task Force supported projects. What I would like to suggest is that when your officials receive applications which have a bearing on the work of our Task Forces they should, as a matter of course, consult them and, at the same time, give due consideration to the inner city angle in line with the Government's co-ordinated Action for Cities approach. My officials are already in touch with yours about specific examples.

Copies of this letter go to the Prime Minister, other members of H Committee, the Attorney General, the Minister for the Arts, Sir Robin Butler and Sir Angus Fraser.



TONY NEWTON

SB4AAE





NORTHERN IRELAND OFFICE
 WHITEHALL
 LONDON SW1A 2AZ

CCPO

SECRETARY OF STATE
 FOR
 NORTHERN IRELAND

Rt Hon Douglas Hurd CBE MP
 Home Secretary
 Home Office
 Queen Anne's Gate
 LONDON
 SW1H 9AT

*MBM
 RACG
 db*

B

June 1989

Dear Home Secretary

SECTION 11 OF THE LOCAL GOVERNMENT ACT 1966

- All within 19

I have seen your letter to Kenneth Baker on your proposals for dealing with the report of the scrutiny of Section 11 and I confirm that I am content with them. Perhaps I should add that in Northern Ireland responsibility for meeting the education needs of ethnic minority communities already falls within the Department of Education.

A copy of this letter goes to the recipients of yours.

John Gifford
Douglas Hurd

TK

(Approved by the Secretary of State & signed in his absence)

/23233

- cc Prime Minister
- H Committee
- Attorney General
- Minister for the Arts
- Sir Robin Butler
- Sir Angus Fraser

- cc PS/SofS (B&L)
- PS/Dr Mawhinney (B&L)
- Mr Parkes
- Mr G McConnell



celh



MBR

to me

done

*Re C6
6/6*

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Douglas Hurd CBE MP
Home Secretary
Home Office
50 Queen Anne's Gate
London
SW1H 9AT

5th June 1989

Dear Douglas,

SECTION 11 OF THE LOCAL GOVERNMENT ACT 1966

map

Thank you for copying to me your letter of 11 May to Kenneth Baker inviting comments on the approach you propose to adopt in the light of the scrutiny report.

Fundamental changes to the current system are clearly necessary given the scrutiny's conclusion that the Government does not know what is achieved for the expenditure of £100 million of taxpayers money (paragraph 36 of the detailed recommendations).

I agree that there is a pressing need for a properly constructed framework of policy objectives laid down from the centre. I welcome the Department of Education and Science's statement of policy as a step in the right direction. The scrutiny made the point that until a clear policy for section 11 grant is settled it will be difficult to calculate the effect of the policy on public expenditure. While I am content for the scrutiny report to be published, I would be opposed to publishing detailed policy statements until we have had the opportunity to consider the policy - and public expenditure implications - carefully. Some of the scrutiny recommendations requiring legislation may also have a significant impact upon public expenditure, for example the extension of section 11 grants to all ethnic minorities and the payment of grant to the voluntary sector.

Given the substantial changes it will address, the paper commissioned by the Prime Minister also needs to include a section on the possible public expenditure implications.

We will need to consider these issues in the Public Expenditure Survey. My own view on the grant is that it is very doubtful indeed that we are getting full value for the very considerable amount of money we spend, and that we need to examine carefully the possibility of achieving substantial savings. For example, the report does not provide a proper justification for continuing to pay grant at the rate of 75 per cent, which is not only high relative to most specific grants, but provides a powerful incentive to local authorities to seek to provide an increasing number of section 11 posts in the knowledge that they will only have to pick up a small part of the bill. We need to consider whether the rate of grant should be reduced. I welcome the recommendation that there should be a move from section 11 grant providing on-going subsidy of services to funding change and I shall wish to discuss the extent to which time limiting grants and tapering the rate of grant paid can play a part in this. I shall also wish to explore the appropriate rate at which funding should be withdrawn from existing posts, such as generalist teachers, which are outside the scope of section 11 policy.

I welcome your acceptance that the grant should be subject to a cash limit. I propose that cash limiting comes into operation in 1990-91. I also welcome your proposal that the Department of Education and Science should take responsibility for administering the education element of section 11 grant under the new system. I agree that a PES transfer could take place in the light of the outcome of the Survey.

I am copying this letter to the Prime Minister, other members of H Committee, Patrick Mayhew, Richard Luce, Sir Robin Butler and Sir Angus Fraser.

John Major
JOHN MAJOR

PART 1 ends:-

SSIDOG to HOME SEC 3.5.89

PART 2 begins:-

CST to HOME SEC. 5.6.89