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RBS/81/90

FROM: R B SPENCE  
US CENT SEC  
DATE: 27 FEBRUARY 1990

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*To see + file please.*

*28/2.*

COMMUNITY DIFFERENTIALS

Attached is a redraft of the PCC paper.

This version puts in an annex the detailed proposals and seeks to accommodate, as far as possible, the DFP views on the public expenditure implications.

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PCC Paper:

Copy No:

MEMORANDUM TO PCC FROM THE CENTRAL COMMUNITY RELATIONS UNIT

THE DIVIDED SOCIETY : REDUCING COMMUNITY DIFFERENTIALS

Introduction

1. This memorandum is a progress report on the preparation of a programme of affirmative action to reduce community differentials.
2. The paper supplements SSG's input to the review of PE Strategy. It follows the memorandum on Reducing Community Division from SSG to PCC (PCC 89/42) which was discussed on 27 September 1989 and the subsequent presentation to the Secretary of State on 13 November 1989 (the script for which was widely circulated by HOCS on 17 November 1989).

Background

3. It is important to place this paper in the wider context of the analysis set out in the earlier papers. That analysis described Northern Ireland's deeply divided society and argued that from that division flow the continuing violence,

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political instability, the area's poor image to potential investors and all the associated economic costs. It contended that, even if terrorism was defeated and widely acceptable political institutions were established, the underlying divisions would remain to threaten such progress. Tackling the underlying divisions in NI society must, therefore, be a major theme in Government's strategy.

4. The analysis suggested that the action required could be summarised as addressing:-

4.1 the "soft issues" - ie expanding cross-community contact and co-operation and developing mutual respect and understanding; and

4.2 the "hard issues" - ie ensuring equality of opportunity and equity of treatment.

5. Initiatives have been launched to address the soft issues and, provided they are adequately resourced, should have an increasing impact in easing community divisions.

6. However, in spite of progress over the last two decades in areas like housing and recent steps like the new fair employment legislation and Making Belfast Work, significant

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social and economic differences persist between the two sides of the community. On virtually all the indicators of disadvantage or deprivation, Catholics experience higher levels of need or disadvantage than Protestants. Moreover, it seems likely that existing policies and programmes will not improve the position significantly in the short to medium terms. Indeed some may even worsen it (for example contracting out of less skilled public sector jobs, hospital rationalisation, higher electricity charges, changes in social security benefits and possible changes in relation to rates/water charges).

7. Employment and unemployment remain the central factors. Demographic factors (more Catholics entering the labour market than previously and fewer Catholics leaving it), the mismatch between where Catholics live and where jobs are located, the differences in skill levels between the two sides of the community, the reluctance of Catholics to serve in the security services, the looseness of the link between the unemployed and new jobs, will all contribute to the persistence of a very large unemployment differential between Catholics and Protestants.

A programme of affirmative action

8. Based on this analysis, the Secretary of State instructed

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officials to prepare proposals for a programme of action which would help to reduce community differentials.

9. The nature of such a programme requires very careful consideration. A series of measures designed to help only the Catholic side of the community would, even if legally possible, be deeply resented by Protestants and would be likely to increase community divisions rather than reduce them. Also, community divisions would not be eased by action which was perceived as penalising Protestants - eg through reductions on spending in Protestant areas - in order to benefit Catholics.
10. A programme of affirmative action must, therefore, be based on criteria of objective need, not on reverse or positive discrimination. It should consist of a series of measures targeted at the people or areas in greatest need. The end result should, however, be that, since Catholics are in greatest need, Catholics will be by far the main beneficiaries.
11. This approach does, however, beg the question of why existing policies and programmes which seek to give priority to those in greatest need are not capable over a reasonable period of solving the problem. The answer seems to be that

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in several respects need is heavily concentrated in one side of the community and existing policies and programmes are not sharply enough targeted or, in some cases, adequately resourced to tackle the root causes of community differentials.

Addressing the priorities

12. The earlier discussions on this matter led to the preliminary view that the three key questions which needed to be addressed were:-

Employment - how might the job opportunities available to Catholics be increased

Employability - how might Catholics increase their ability to compete successfully for employment

Quality of Life - how might the significant differences in the quality of life experienced by Catholics in comparison with Protestants be reduced more quickly.

13. These three key questions and a series of more detailed supplementary questions were circulated on 16 January 1990

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to Permanent Secretaries and were followed up by CCRU through bilaterals involving senior officials in all Departments. The bilaterals with DED and DENI were chaired by HOCS and attended by the Chairman of SSG. CCRU's academic adviser attended a number of the bilaterals.

14. An important parallel exercise was also in progress - the preparation by DED of a new strategy for DED and its agencies aimed at strengthening the Northern Ireland economy with the emphasis shifting towards competitiveness possibly at the expense, at least in the short-term, of further unemployment and of increasing community differentials.
15. Annex A provides an indication of the sort of measures which might be included in a programme of affirmative action to reduce community differentials.

Resources

16. Annex A is not a bid for £100-200m per annum of resources for a programme of affirmative action. More detailed work is needed with Departments before a comprehensive and properly costed programme can be tabled. What the Annex illustrates is the scale of the effort which is required if significant progress is to be made. It is very difficult to

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envisage a credible programme being mounted with less than £50m in the first year.

17. It will clearly be necessary to establish some priorities and action aimed at increasing employment and employability would merit the most serious attention. It would be possible to devise, within the range of measures set out in Annex A, a reasonable set of priorities, giving proper weight to the need for measures which will have an immediate impact as well as to those required to achieve lasting change.
18. The next stage would be to explore in greater depth than to date with the responsible Departments how far any new measures could be accommodated within the existing resources available for the programme concerned. Preliminary discussions do not, however, suggest that there is much scope for significant reallocation within programmes.
19. If this is confirmed, it would then become necessary to explore what room there might be for reallocation within the Northern Ireland Block. One option might be to decide to set aside a sizeable proportion of "the room for manoeuvre" in this year's survey for a programme of measures to reduce community differentials.

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20. DFP has made clear from the start of this work that they did not believe there was much hope of mounting a credible bid on HMT for additional resources. Their judgement remains that any affirmative action programme will have to be financed by a shift in existing resources within the Block.
21. The CCRU view is that healing the divisions in the Northern Ireland community, including the reduction in community differentials, is fundamental to the success of Government's policies in Northern Ireland; the facts set out in the earlier presentations simply cannot be ignored; a further major effort must be mounted.

Public presentation

22. At the discussion on 13 November 1989, the Secretary of State raised the problem of how Government should handle this whole issue in public presentational terms.
23. Clearly, encouraging public debate about community differentials runs the very real risk of providing Government's critics with more sticks with which to beat it. Catholics would be reinforced in their perception of past and present discrimination and would be encouraged to

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call for greater and more expensive Government action. Protestants would in turn fear discrimination against them.

24. On the other hand, it is important for Government to be seen to recognise the scale and nature of the problem of community differentials and to be seen to be addressing it seriously. Moreover, it is also necessary to explain that the solutions lie not just in the hands of Government; they also require action by the disadvantaged themselves, their community and elected representatives and their Church.
  
25. All this points to the need to open up the debate when Government's approach is determined and the resource position is clearer. This might be done initially through a speech by the Secretary of State, to be followed up by steps to encourage a better informed discussion. One of the lessons of the Making Belfast Work process has been the value of facilitating debate with all the interested parties, including through a series of seminars with the proceedings being published.

Conclusion

26. This paper forms part of the agenda for a wider discussion planned for 8 March on Government's strategy in NI which will include consideration of papers on the defeat of

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terrorism, public expenditure strategy, and economic strategy. It is right that the paper should be debated in that wider context.

27. If the approach outlined above is broadly endorsed, the next steps would be:-

27.1 to report progress to Ministers;

27.2 to agree with Departments the top priorities for action from within the possibilities set out in Annex A;

27.3 to explore with Departments how far additional action could be funded by reallocations within the programmes concerned;

27.4 to consider whether a sizeable proportion of "the room for manoeuvre" in the 1990 Survey should be reserved for priority measures designed to reduce community differentials; and

27.5 to continue the examination of whether a credible bid to HMT could be mounted for extra resources for the Block.

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ILLUSTRATIVE OPTIONS FOR A PROGRAMME OF AFFIRMATIVE ACTION

Creating employment

1. Redressing the differentials in employment will require action to:-

1.1 make the more disadvantaged areas more attractive to possible investors, through selective provision of advance factories and serviced sites (at a total estimated cost of £3m) and action by all parts of Government to secure a general improvement in the physical environment,

1.2 stimulate and support further local enterprise and community development through an expansion of existing programmes and the extension to other disadvantaged areas of the successful experiments in the Making Belfast Work areas;

1.3 locate more public sector jobs (including possibly Next Step agencies) in places which are accessible to people living in areas of high unemployment, including outside Belfast;

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- 1.4 ensure a significant advantage in terms of the financial incentives available for potential investors in the most disadvantaged areas;
- 1.5 develop new employment opportunities in the most disadvantaged rural areas and (in conjunction with the IFI) smaller towns;
- 1.6 tackle the core of the long-term unemployed with no skills through the provision (mainly in the voluntary sector) of socially useful work with an element of training with payment on a "benefits plus" basis. This might be achieved through enhancement of the ACE model at a cost of up to £50m per annum.
- 1.7 re-develop the Mackies site in West Belfast; this will be one of the most important developments in the short to medium term. It is critical that this opportunity is fully exploited and this may require more resources than are currently likely to be available.
- 1.8 rebuild major parts of the Royal Victoria Hospital complex. The Royal Group of Hospitals is the major employer in North and West Belfast. It provides

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regional hospital services to the population of Northern Ireland, as well as area services for the residents of a large part of Belfast. At the core of the hospital campus is the main corridor of the Royal Victoria Hospital. Because of age it is increasingly ill-suited to the practice of modern medicine. Moreover the building has serious health and safety defects. Discussions are taking place within the Eastern Health and Social Services Board on the future pattern of acute care in the greater Belfast area, including the provision of regional services. This strategic planning exercise is likely to take some months and could well result in a proposal for a major capital scheme to replace the beds on the Royal "corridor" with a new building costing £30m plus. Whilst it is likely that there would be fewer beds in the new building and hence a reduced staffing requirement, the development would maintain the Royal as a centre of excellence for the province and a major employer.

2. In total, the above options for creating employment opportunities could require expenditure of up to £100m.

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Increasing Employability

3. Increasing employability is fundamental to redressing community differentials - even if it means (as it probably does) equipping many people to compete for employment outside, rather than inside, Northern Ireland. The effect of this will be of greatest benefit to the Catholic side of the community.

4. Differentials in educational achievements have been decreasing and the education reforms will over time bring important advances, particularly through the introduction of the common curriculum. However, while the direct links between socio economic need and educational performance would suggest that some divergence will be inevitable, there must be major concerns over two significant areas of difference:-

4.1 fewer Catholics attend grammar schools which are critical to access to higher education and to the professions; there are more available places at non-Catholic Grammar schools; it seems likely, with open enrolment, that within 5 years 43% of Protestants will attend grammar schools as against 36% of Catholics; and

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4.2 of Catholic boys who leave secondary intermediate school, some 35% are without any formal qualifications compared with 25% of Protestant boys.

5. Action needs to be taken in the short rather than the long term to tackle these problems. It might involve:-

5.1 Accelerating the physical improvement of schools in the disadvantaged areas; it is often the poorest Catholic areas which most need improved school provision and this may well be restricted because they are least able to raise their share of the cost; this acceleration of work might therefore be associated with an increase from 85% to 100% in the assistance available for capital works in maintained schools; such a step would, of course, raise major issues about management of the maintained schools and would also have implications for the voluntary sector generally; the additional annual cost of raising support to 100% would be around £3m per annum.

5.2 Encouraging the rationalisation of the smaller schools with under 400 pupils into larger co-educational schools able to offer a broader and higher quality curriculum; a significant proportion of the smaller

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schools are single sex maintained schools and such a programme would therefore most benefit the maintained sector. A provisional programme covering 22 schools is costed as follows:

1991/92	1992/93	1993/94	1994/95
£3.0m	£9.5m	£8.5m	£3.0m

5.3 Increasing the existing numbers of Catholic grammar school places, though this is dependent on proposals emerging from the Catholic voluntary sector. Such proposals would inevitably have negative influences on Catholic secondary schools which would be affected by the drain on numbers and of ability levels of pupils; and they could also have implications for strategies such as Sixth Form Colleges.

5.4 For illustrative purposes, extensions to existing grammar schools to provide say an additional 1,500/2,000 places could be provided at the following costs:

1991/92	1992/93	1993/94
£2m	£4m	£3m

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5.5 Targeting the schools where the incidence of low employment and unemployment post-school is highest through:-

- i. providing specific leadership training for the principals and senior management team, with subsequent support focused on the schools to achieve agreed goals;
- ii. upgrading accommodation, facilities and equipment to undertake the common curriculum;
- iii. undertaking a programme of development of teaching/learning materials and associated INSET;
- iv. upgrading the internal and external environment of the school. Provisional costs are as follows:

	1991/92	1992/93	1993/94	1994/95
Training and support	570	750	750	800
Accommodation/ Equipment	1,000	2,000	1,000	-
Materials	130	250	300	350
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	1,700	3,000	2,050	1,150

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5.6 Increasing the availability of nursery facilities. Percentage participation rates in nursery education are difficult to estimate but it could be assumed that current provision has 4,000 places for Protestant children and 2,000 places for Catholic children. A programme of say 40 new nursery schools concentrated in areas of greatest social deprivation would address mainly the needs of Catholic children and is costed as follows:-

	1991/92	1992/93	1993/94	1994/95	1995/96
Capital	2,500	1,900	2,100	1,300	50
Recurrent	150	850	1,500	2,400	2,650 (ongoing)
TOTAL	2,650	2,750	3,600	3,700	2,700

5.7 Developing further education provision, particularly for those in disadvantaged areas and with a focus on those who left school with few or no qualifications; targets will be capital development to remove serious underprovision in Londonderry and Newry, and to provide points for community access in areas such as Strabane and Cookstown. Provisional costs are:-

	1991/92	1992/93	1993/94	1994/95
Capital development	200	1,000	1,600	2,000

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Access centres	150	450	450	-
Foundation programmes	150	300	360	330
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	500	1,750	1,410	2,330

5.8 Developing the links between school leavers and potential employers in NI and elsewhere following evaluation of pilot compact schemes underway in Belfast and planned for Londonderry.

5.9 providing 1,000 additional adult training places, particularly in areas of highest unemployment and targeted as far as possible at the long-term unemployed, at an estimated cost of £5m per annum.

5.10 replicating in other areas of disadvantage the successful initiatives taken in the Making Belfast Work areas to increase employment and employability such as:-

- Community-based Job Clubs;
- Delivery of training by community-based bodies;
- Creating new business opportunities;

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- Facilitating establishment of business clubs to link small businesses together;
- Utilising GTCs to develop new businesses;
- Stimulating new business ideas;
- Developing community businesses;
- Providing advice to small businesses to develop business plans.

It is estimated that a programme based on the above initiatives would cost £15m per annum.

6. In total, the costed options to increase employability would require expenditure of around £33m in year 1.

Quality of life

7. Improving the general quality of life enjoyed by Catholics requires further action on several fronts.
8. Whilst considerable progress has been made in improving housing conditions and spending on housing continues to run

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at a substantially higher level than in GB, housing conditions for Catholics remain significantly worse than for Protestants. In particular Catholics are more dependent on public sector housing and will form a disproportionate number of the new households seeking public sector housing; those in public sector housing are more likely to be living in overcrowded conditions and in houses in need of repair and improvement; housing unfitness remains a major problem in the more disadvantaged, mainly Catholic rural areas.

9. Existing plans and proposals will:-

9.1 enable further progress to be made in replacing unsatisfactory flats in Belfast; progress is limited by the reluctance of existing tenants to move from the immediate area;

9.2 enable some progress to be made in upgrading existing public sector estates in North and West Belfast; more could be done if the resources were available;

9.3 permit a new attack to be made on rural unfitness through relaxing some of the rules on the current housing renovation grants, rural housing action areas and the possible limited introduction of replacement

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grants; if the response is good, there would be serious difficulties in containing expenditure without cuts elsewhere in the housing effort.

10. Deliberate skewing of existing housing resources in favour of Catholic at the expense of Protestant areas would cause considerable problems for the Housing Executive which has carefully built up its reputation for fairness and equity and for determining priorities on the basis of housing need. Additional spending of £10-20m per annum targeted at housing need in the most disadvantaged rural areas and the Making Belfast Work areas could be fairly presented in terms of meeting housing need even though 75% of it would benefit the Catholic side of the community. Moreover it could help create jobs in the construction industry which would also tend to help Catholics.

11. Turning to health and social services, the comparatively worse health experienced by the Catholic side of the community is being addressed through a number of pilot health promotion and prevention schemes in the Making Belfast Work areas. These schemes could be expanded and extended to all disadvantaged areas and day care provision for mothers and young children (NI has the worst record in

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Europe in this field) could be extended at an estimated cost of £3-£5m per annum.

12. On the social security front, further support could be given for the development of Advisers in Social Security Offices who provide advice to the unemployed on job and training opportunities and for the work of Citizen Advice Bureaux in providing advice on family finances and debt. There seems to be no case at present for further special action to encourage the greater up-take of social security benefits, with the exception of family credit. The general case for breaking parity on social security benefits in order of secure higher benefits has been set aside as outside the scope of the present exercise and anyway as unlikely to be a viable option on several grounds.
  
13. In total the costed options to improve the quality of life would require expenditure of between £13 and £25m in year 1.

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