

tenant's wife when she became pregnant; on the advice of the police, the couple presented themselves as homeless and were turned down by the housing committee on the grounds that "they left accommodation which it was reasonable to continue to occupy." Calderdale refused to take a couple with two children who had been evicted for mortgage arrears incurred when the husband became unemployed; the two children were taken into care.

The third major failing is that the act and code impose no standard for homeless accommodation. There has been a 50 per cent increase in the use of bed and breakfast, mainly in London, and a substantial use of caravans in the shires. In the act's first four months, one in ten homeless applicants were placed with friends or relatives.

Many authorities are deliberately creating or buying low standard accommodation, which is designed to deter or "test" homeless applicants. East Devon has, for example, been considering converting half of an old army camp in the middle of Dartmoor into a homeless "hostel," and the other half into an industrial estate.

Fourth, the act does not cover the single homeless—even the most obviously vulnerable, such as a single person in late middle age who has perhaps been in tied accommodation all her or his life and lost a home and job at the same time. Their only chance lies in being **adjudged officially** "vulnerable," but here the legislation is at once too specific and too vague. The elderly, mentally or physically disabled and handicapped are statutorily defined as vulnerable; other applicants can be regarded as vulnerable only "for any other special reason." Even so, 20 per cent of households rehoused did not have children.

The difficulties of single people lead on, of course, to the crucial connection between the emergency provision the homelessness act enforces and the general responsibility of local authorities to meet the housing needs of their areas. Homelessness is the most extreme form of housing need, and should be recognised as such. But the homelessness act represents a first-aid operation. Local authorities should increasingly be encouraged, and if need be forced, to widen their responsibilities to meet *all* the housing needs which arise in their area. With the inevitable decline of the private rented sector, they must provide rented accommodation for a wider range of households, including the single and childless, who cannot afford, or who do not want, to enter into owner-occupation.

Council housing must not be allowed to deteriorate into mere welfare provision for the poorest and weakest in our society. Local authorities cannot alone stop the drift towards such a divide in housing between council housing and owner-occupation, for government policies are urgently needed to restore the balance between the two main housing sectors. But they can at least continue to meet what the homelessness act has revealed: a more widespread need for rented housing than was previously recognised.

## Meeting ethnic needs

Jill Turner

The Home Office is at last to reform section 11 of the Local Government Act, 1966, under which local authorities can apply for grants for work with ethnic minorities. For some years, using section 11 has depended, first, on councils knowing it exists, second, on their having the luck to meet the restrictive criteria for eligibility and, third, on their being able to juggle statistics in a field where few were available and even fewer could be tested.

Now the Home Office has responded to pressure for reform from other government departments, local authorities and race organisations and has outlined its intentions in a consultative document (obtainable from the Home Office Library). The Home Office wants comments by 31 January 1979, so it can introduce legislation this session.

As it stands, section 11 provides 75 per cent grants for local authorities "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 are available only for the cost of employing extra staff.

Twelve years later the restrictive tone of this drafting and of the Home Office circular which qualified it further has an ante-diluvian ring. The word "immigrants" itself now gives rise to a lot of trouble. Most of our ethnic minorities have not recently arrived from overseas: many indeed were born here, and there are no records of length of stay in this country. The word "Commonwealth," too, becomes more restrictive as the Commonwealth itself contracts. Nor is it appropriate to feel that racial disadvantage is a matter of strange customs and language which need to be overcome.

The "substantial numbers" requirement was defined in the subsequent circular as where 2 per cent of those on the school roll were Commonwealth immigrants. Those figures (which made 87 authorities eligible) ceased to be collected in 1973, and not until the mid-eighties will the 1981 census provide a more up to date picture.

The new section 11 would, as outlined in the consultation paper, leave it to each local authority to prove that the need exists, and the Home Office feels there is hardly an authority in the country that couldn't make an application. Grants would no longer be restricted to meeting council staff salaries. This would widen the range of work undertaken and open the way for other organisations to participate in funded projects.

The abolition of these rules that nobody wants but everybody has to abide by will be welcomed on all sides. The Home Office says it will encourage a multi-functional and flexible approach and nobody will quarrel with that. Indeed, the Association of Metropolitan Authorities is opposed to specific

grants of all types because they detract from the general pool. There are now so many different sources of funding for inner city projects—urban aid, the inner cities programme, the Home Office's voluntary services unit, and the Commission for Racial Equality—that a broad, rational and unified approach is badly needed.

As currently planned, section 11 would have fewer limitations than many of those other sources and, as the Commission for Racial Equality points out, "we need this wretched carrot to get local authorities to make appointments." Many authorities still jib at providing the missing 25 per cent of staff costs and others dislike the transitional nature of section 11: after up to five years of grant aid, the local authority must pick up the total bill. "It can't be called special for ever," says the Home Office. It admits that an important criterion for the approval of applications would be the speed with which the project is capable of becoming absorbed into local authority main expenditure programmes.

"This new grant should be regarded as an additional weapon available to local authorities for combating disadvantage," says the consultative document. "It would not be appropriate to look at it as a source of substantial additional revenue for main programme services." The line between main revenue and "generalised support for a high ethnic population," which is what some authorities already look to section 11 to provide, is a fine one. The Home Office has been accused in the past of failing to monitor section 11 spending: on the other hand, no one wants to see yet another inner cities-cum-ethnic quango.

### Wide-ranging

The Home Office's own examples of how the new grant might be used range widely. They include "additional housing improvement officers to ensure full use of improvement grants" and "special provision to meet the religious needs of ethnic minorities, eg, burial grounds." It ventures into the health service to suggest projects to provide improved access for certain ethnic minorities and the training of personnel on special features of medical care. Its suggestions cover education, youth employment, hostel accommodation, child-care projects, women's projects, and services to the elderly, as well as the more general costs arising out of assessment, record-keeping, research and planning for ethnic minorities.

The Home Office recognises that many teachers' appointments made under the existing section 11 will need to continue, but it encourages authorities to look "afresh and across the board" at other appointments. It recognises that the wider scope of the new grant "should be matched by a significant increase in the resources made available for expenditure on ethnic minorities." Cynics around the country are not sure whether this amounts to a commitment to spend more than this year's £26 million on the new grant, but the Home Office says it is a fair assumption that there will be greater resources.

## Notes



### Local government

#### Urban priorities

ROBIN SIMPSON writes: The austerity ushered in by the cuts of 1976 still holds sway at the Department of the Environment if last Friday's rate support grant settlement, announced by Environment Secretary Peter Shore, is anything to go by. The RSG is the support given by central to local government and in 1979-80 for the third year running will amount to 61 per cent of local government expenditure. (In 1976-77 the proportion was 65.5 per cent.)

The DOE argues that this provides for a modest increase in expenditure, amounting to 1.6 per cent. However, this figure and Shore's hope that rate increases can be kept down to a single figure percentage are anchored on three assumptions: on an inflation rate of 7½ per cent; pay settlements in accordance with the pay policy; and local authorities' willingness to mitigate rate increases by drawing from their working reserves to make ends meet. These assumptions could well prove too fragile for a margin of only 1.6 per cent above stagnation.

The RSG was billed by Shore as an "urban" settlement, continuing the "priority of distributing grant to the areas of greatest need, the inner cities, including Inner London." Hence, while RSG needs element (the greater part of RSG, which is designed to allocate resources according to social need) goes up by 2.2 per cent for England and Wales as a whole, it goes up by 4.4 per cent for London and 7.9 per cent in inner London. Furthermore, the more urban district councils in the counties also do better than their rural neighbours. For the first time, the government will pay direct to such non-metropolitan district councils their share of each county's needs element. This redistributes the burden of rates within each county so that, for example, Leicester gains at the expense of rural Leicestershire.

So up to a point, Shore's claim to be helping the needy cities is fair. But only up to a point. Inner London's large overall increase has a very tenuous relation to social need. Westminster, Greenwich and Camden have the largest percentage increases in grant while needier Tower Hamlets, Islington and Southwark do worst. Also, those outer London boroughs with the most "inner" urban characteristics do worst; Haringey, for example, loses 2 per cent in needs element while affluent Redbridge gains 6.6 per cent.

In addition, the metropolitan districts (big cities outside London) come out worst of the three major types of authority, with a 1.5 per cent increase compared with 1.7

per cent for the shire counties and 4.4 per cent for London.

So the protests of the Association of County Councils that the shires are being milked by the cities are not to be taken too seriously. Indeed, faced with the complete non-response of the ACC to the urban shift within the shire counties' own resources, one begins to suspect straightforward anti-urban hostility. Such suspicion is reinforced by comments such as that by John Grugeon, of the ACC, that the RSG formula "allows the profligates to prosper and the prudent to be penalised." The cities need and are entitled to their support on grounds of social need, but to disarm such criticism, it is time the distribution within London was sorted out.

### Housing

#### Sales drives

JANE MORTON writes: Council house sales are rapidly becoming the kind of party political shibboleth that stifled rational debate about rent levels in the 1960s. There's no short answer to whether sales are right or wrong. It depends on local conditions and the character of an area's housing stock. But the complex patterns of need in the conurbations demand a sensitive approach—and there are signs that this has not been appreciated by some of the Conservative councils now in power in such areas.

In the current issue of *Roof*, Shelter's housing magazine (75p from 157 Waterloo Road, London, SE1), Alan Murie and Ray Forrest show how a rapidly mounted and indiscriminate sales drive in the London borough of Wandsworth—which is expected to reduce the council's stock by 7,000 over four years—is already gravely hampering the council's ability to meet some of its main policy obligations. There will only be enough vacancies in 1978-79 to meet inescapable commitments like families coming out of clearance areas or needing rehousing during modernisation work if Wandsworth abandons its policy of rehousing families with children on the ground and puts back urgent repair and modernisation schemes. No transfers or allocations from the list are even listed as "commitments."

The problem is suddenly acute in Wandsworth because this council is not merely selling existing housing to sitting tenants—the usual way of handling sales. It is also selling newly-built and converted acquired property—535 potential vacancies will vanish in the coming year for this reason. This is increasingly becoming standard practice among councils committed to sales. If the housing were going to people likely to be council tenants anyway, as does that sold to existing occupiers, there might be little cause for concern. But other evidence collected by Murie and Forrest—from Nottingham and Birmingham particularly—shows that it often goes to people well down the list or even completely new to the area.

Maybe these are isolated examples of irresponsible planning. But they ought not to be happening at all. Official guidance on sales—though in the main sympathetic, since Peter Shore himself believes that people

should have a chance to own their own homes wherever possible—states emphatically that they should not be pushed at the expense of other more vital housing priorities. So far, sales have been allowed to rise from about 4,000 in 1974 to an estimated 18,000 this year without a hostile reaction from the government.

### Taxation

#### Political hypocrisy

CHRIS POND writes: Pressure for a comprehensive examination of the tax system is gaining momentum. The urgent need for reform was amply illustrated by Professor James Meade (chairman of the influential but independent committee on tax reform) at this month's seminar organised by the Fabian Society.

The current system is, he argues, riddled with "political hypocrisy." Egalitarians could satisfy themselves that the principles of equity and fairness were fulfilled by the existence of nominal marginal tax rates rising to 83p and 98p in the £. Those concerned most with economic efficiency and incentives could at the same time rest assured that hardly anyone actually has to pay such rates. Adequate governmental escape routes are provided in the form of legitimate loopholes, while those who have exhausted all such avenues have every incentive to engage in plain old-fashioned tax evasion (see "Tax cheating," Frank Field, Notes, 16 November). Those subject to the highest marginal "tax" rates from which there is no escape are over 50,000 families caught in the "poverty trap."

Economic efficiency also suffers under the current tax system. Savings and investments have been sucked into those areas singled out for favourable tax treatment—principally owner-occupied housing, life insurance and pension funds—rather than into more directly productive sectors. Earned income is taxed more heavily than unearned (since only the former is subject to national insurance contributions) and the only forms of wealth subjected to tax are those which yield income: "unproductive" assets (cars, yachts, houses) remain tax free.

Meanwhile, in the corporate sector, the proportion of total direct tax revenue contributed by companies was halved between 1966-1976; and, as Mervyn King told the same Fabian seminar, mainstream corporation tax has now been virtually abolished for most commercial and industrial com-

## Next week

The 7 December issue of *New Society* will include:

Judith Okley on how girls perceive their bodies.

Harold Silver on Education since the Butler Act.

Asa Briggs on left-wing scientists.

Society Today on bureaucracy.