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cc. PS/Ministers (B&L)
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PS/Mr Bloomfield
Mr Brennan
Mr Stephens
NI Perm Secs
Mr Spence
Mr Reid (DFP Legal
Adviser)
Mr Hammond (Home
Office)
Mr Chesterton
Mr Ferneyhough
Mr Gilliland
Mr Innes
Mr M Elliott
Mr Blackwell
Mr McConnell
Miss F Elliott
Mr G Hewitt
Mr Bell
Mr Ehrman

PS/Secretary of State (B&L)

COMMUNITY GROUPS

Purpose

1. This submission is another in the series dealing with cases of community groups receiving or seeking financial assistance from public funds in circumstances which give rise to fears that such assistance will directly or indirectly benefit paramilitary organisations. The Secretary of State's approval is sought to action recommended in respect of the five cases set out below.

Background

2. The Government's announcement of its policy on the payment of public funds to

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community groups with paramilitary links was made on 27 June 1985. Since that date the present Secretary of State, and his predecessor, have taken decisions in 14 cases. In 9 of these it was decided to refuse or terminate public financial assistance, and in the remaining 5 cases such assistance was agreed, subject to certain provisos relating to scrutiny or location.

3. In all cases where the Secretary of State's decision is regarded as unfavourable there are three possible reactions, namely:-

- (1) The group concerned may accept the decision; or
- (2) a legal challenge may be mounted; or
- (3) the group may reorganise its management structure and resubmit its application for public funds.

4. So far, no formal legal proceedings have been initiated by any of the groups affected by a refusal of Government aid. However there are signs that at least two groups are considering this course of action. We have also had an indication that another group may be considering a reapplication based on a new management structure. In this case the new application should be reconsidered in the light of the changed circumstances.

Dove House Community Trust Resource Centre, Londonderry

5. This organisation currently sponsors a four-place community resource and arts

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centre ACE project in the Bogside, Londonderry. The Department of Economic Development understand that the organisation plans to expand its ACE places by 8 to a total of 12 in the near future. In view of local rumour suggesting that are linked with undesirable organisations, DED has asked for guidance on its support for this project.

6. The Secretary of State will have seen separate advice on this organisation and will have noted that the DED fears are strongly substantiated. In view of this it is considered that any application by the Dove House Committee for assistance to expand should be rejected. Furthermore it is also considered that the Committee should be notified that its existing contract with DED is to be terminated, subject to the legal requirement of three months' notice.

Feachtas

7. This case involves an existing ACE scheme operated by members of the Northern Regional Committee of Feachtas, which is a group set up to promote the Irish language among young people. Approval was given by DED in April 1985 to employ 2 ACE workers. Only one worker was employed for a short period and none is in post at present. However it is anticipated that the Committee may approach DED at any time for further ACE support for up to the complement of 2 workers.
8. DED discovered that a contact telephone number for Feachtas was that of the Newry Sinn Fein Advice Centre and in the circumstances asked for guidance.

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9.

but, on balance, these do not seem sufficient to justify a refusal of grant under the ACE scheme, should the Feachtas Committee decide to reactivate its 2 ACE approved posts. It is considered therefore that ACE grant should be paid in the event that Feachtas approaches DED again.

York Road Community Advice Centre

10. This group signed an ACE agreement on 4 September 1985 for 5 approved posts and the first worker started on 14 October 1985.

11. DED has noted a connection between this group and an organisation called the standing of which it has reason to suspect. The Secretary of State will note, from separate advice, which operates from the same address as the York Road group, has strong connections with a loyalist paramilitary organisation.

12. In view of its close link with it is considered inappropriate that public finance should continue to be paid to the York Road group and therefore it is recommended that its existing contract with DED be terminated with the minimum 3 months' notice.

Skegoneil, Shore Road and Seaview Environmental Group

13. This Group is seeking approval from DED under the ACE scheme for 6 posts including a supervisor and 5 environmental workers. The Group has indicated that it hopes that the Northern Ireland Housing Executive will fund 10% of the

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wage costs and 100% of materials involved. In the meantime however, have undertaken to fund these costs.

14. Once again the close connection with suggests that this scheme should not be supported by Government financial assistance and therefore it is considered that the application be rejected.

Shantallow Gymnastic Club

15. This Club is based in the Shantallow Community Centre which was the subject of an earlier submission and which the Secretary of State decided should not receive public financial assistance. The Club is proposing to DED that it should sponsor one ACE job (a gymnastics development officer) with the Waterside Churches Committee for Community Needs. The latter is a group which sponsors 24 ACE posts itself and acts as a "manager" for 21 other ACE posts in 12 smaller organisations.
16. The location of the Club in the Shantallow Community Centre is not regarded as sufficient justification for refusing grant aid. The connection between

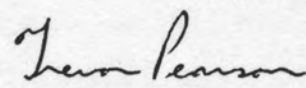
is also considered not to warrant refusal of a grant, since it is unlikely that his involvement in the Club will lead to the diversion of funds to terrorist groups. All the other members of the Club's management committee have no security record.

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Recommendations

17. The Secretary of State is invited to approve, taking account of the advice being submitted separately:
- (a) A refusal by DED to provide ACE grant towards 8 additional workers for the Dove House Community Trust Resource Centre; and that the Trust be notified that its existing contract for 4 ACE workers will be terminated with the minimum 3 months' notice;
 - (b) An agreement by DED to provide ACE grant towards Feachtas, should that organisation decide to take up its earlier approval to employ 2 ACE workers;
 - (c) That DED should notify the York Road Community Advice Centre that it has decided to terminate its ACE contract with the 3 months' minimum notice;
 - (d) A refusal by DED to provide ACE grant towards the Skegoneil, Shore Road and Seaview Environmental Group.
 - (e) An agreement by DED to provide ACE grant towards the Shantallow Gymnastic Club.


TREVOR PEARSON

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