

**FROM: TONY McCUSKER
CENTRAL SECRETARIAT**

DATE: 2 MARCH 1999

Distribution list below

PS/Mr Murphy (B&L)

**JMO 93/99: LETTER FROM PS/PRESIDING OFFICER RE.
FINANCIAL SUPPORT FOR THE NORTHERN IRELAND UNIONIST
PARTY**

Summary

Issue: Letter from PS/Lord Alderdice asking for consideration to be given to extending the temporary scheme for financial support to parties to the newly formed Northern Ireland Unionist Party (NIUP).

Timing: Reply due in Private Office by 10 March.

Recommendation: That Mr Murphy agrees that the NIUP should be supported under the current temporary scheme.

Background

1. You have received a letter from the Presiding Officer's Private Secretary confirming that the Northern Ireland Unionist Party (NIUP) was recognised on 15 January. The letter also asks if the Minister will give his agreement to appropriate financial support being released to the NIUP.
2. The Minister first considered this issue before he met with Mr McCartney on 13 January to discuss the implications for the UKUP of the decision by Messrs Wilson, Boyd, Roche and Hutchinson to form the NIUP. At that time the Minister decided that the UKUP

would continue to receive funding commensurate with a five member party until devolution but that he would delay any decision on the NIUP's level of funding until he was notified that it had been formally recognised within the Assembly. A formal decision on this is now required.

The current scheme

3. The current scheme was introduced last year and gave all parties a baseline payment of £10,000 plus a top up of £1,000 per seat, for the first six months of new Assembly (July-December 1998). Last December the Minister agreed that this scheme should be extended on a month by month pro rata basis until the introduction of full devolution when decisions will pass to the Assembly.

Funding the NIUP

4. A formal decision needs to be taken on whether the NIUP should be brought into the scheme. A precedent was set last October when it was agreed that the United Unionist Assembly Party should qualify for support. However, in this new case the circumstances are slightly different. Whereas the UUAP was formed by three independents who had not, up to that point, belonged to any other party, the NIUP members were all members of the UKUP and elected on that party's ticket last June. I do not believe, however, that we should seek to differentiate between parties at this time, particularly since our scheme has only a matter of weeks to run before responsibility for funding transfers to the Assembly. Although Bob McCartney, in particular, may complain, given his loathing for his 4 ex-colleagues and his extreme sense of injustice over the manner of the parting of the ways, I believe that the

Minister's decision to sustain the UKUP's funding at its original level may mollify his discontentment. I therefore recommend that we pay the NIUP its entitlement, as set out below, from 15 January 1999.

Entitlement of NIUP

5. Under our temporary scheme the NIUP would qualify for a total of £2,333 per month (£10,000 + £4,000 divided over 6 months). They would also be entitled to an immediate backdated payment of £1,167 to cover the second half of January.

Recommendation

6. I recommend the Minister agrees that the NIUP is brought into the current temporary party funding scheme from 15 January 1999.
7. If the Minister is content he is invited to agree the attached draft letters to PS/Lord Alderdice, Cedric Wilson and other party leaders in the Assembly informing them of his decision.

Tony McCusker

TONY McCUSKER

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cc: PS/Secretary of State (B&L)

PS/Mr Pilling

PS/Mr Semple

Mr Jeffrey

Mr Ferguson

Mr Stephens

Mr Maccabe

Mr Whysall

Mr Gallagher

DRAFT REPLY FROM PS/MR MURPHY

Georgina Campbell
PS/Presiding Officer
Parliament Buildings
Stormont
BELFAST
BT4 3XX

Thank you for your letter of 19 February which confirmed that the Initial Presiding Officer has formally recognised the Northern Ireland Unionist Party with effect from 15 January 1999.

Mr Murphy has considered the matter carefully and has decided to provide funding for the NIUP from 15 January, by applying the same formula used for the other parties in the Assembly.

The Minister is writing in similar terms to party leaders.

PS/MofS

DRAFT REPLY FROM MR MURPHY

Mr Cedric Wilson
Party Leader
Northern Ireland Unionist Party
Parliament Buildings
Stormont
BELFAST
BT4 3XX

Following the creation of the Northern Ireland Unionist Party and its subsequent recognition from 15 January the Initial Presiding Officer has requested me to consider the question of funding for the party.

I have considered the matter carefully and have decided to provide your party with funding from 15 January, by applying the same formula used for the other parties in the Assembly. This decision will not affect the current level of funding provided to the UKUP.

I am writing in similar terms to other party leaders.

PM

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DRAFT REPLY FROM MR MURPHY

Other Party Leaders

Following the creation of the Northern Ireland Unionist Party and its subsequent recognition by the Initial Presiding Officer from 15 January I have considered the question of funding for the new party.

I have decided to provide funding for the NIUP from 15 January, by applying the same formula used for the other parties in the Assembly.

I am writing in similar terms to other party leaders.

PM