

C O N F I D E N T I A L

FROM: R WILSON
Central Secretariat
24 August 1990

cc PS/Sir K Bloomfield
Mr Spence
Mr Cole (O/R)
Mr Daniell
Mr McConnell
Mr Bell
Director, ARU

Mr D McCartney
DFP Solicitors Department
Permanent House

Subject to the provision of PAB advice on the local perception of Dove House Mr Cole had agreed that this case should be referred to the Secretary of State.

Now that PAB advice has been received (the substance is reflected in paragraph 7 of the attached draft submission) there is no reason to delay any further and I would be grateful for any comment which you or other copy recipients, might have on the attached draft.



R WILSON

Note.

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DRAFT

FROM: R WILSON
Central Secretariat
August 1990

cc PS/Minister of State (B&L)
PS/PUS (B&L)
PS/Sir K Bloomfield
Mr Ledlie
Mr Chilcot
Mr Spence
Mr Cole
Mr Daniell
Mr McConnell
Mr Bell
Director

PS/Secretary of State (B&L)

COMMUNITY GROUPS AND THE LEAKAGE OF PUBLIC FUNDS TO PARAMILITARY ORGANISATIONS: DOVE HOUSE, LONDONDERRY.

1. The purpose of this submission is to invite the Secretary of State to decide whether the Dove House Resource Centre, which is located in the Bogside, Londonderry, should be denied public funds in line with Government policy in cases where the payment of such funds could give rise to a grave risk of improving the standing and furthering the aims of a paramilitary organisation, whether directly or indirectly.

2. Background

Dove House is a community-based centre which operates from a NI Housing Executive owned property which is leased to them for an indefinite period at a nominal rent. In the past many of those involved in running the centre have been ex-students of the Institute of Continuing Education at Magee College.

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3. In March 1986 the then Secretary of State, Mr King, withdrew funding in line with Mr Hurd's 1985 Parliamentary Statement. This led to a vigorous campaign against the Secretary of State's decision and representations to Government from the City Council, Bishop Edward Daly, various Labour Party and Trade Union interests including Mr Benn MP and Mr Archer MP, and the SDLP. The issue was also raised by the Opposition during an Appropriation Debate.
4. In the light of these representations and following discussions between the then Minister of State, Mr Scott and Bishop E Daly, who expressed his confidence in the Organisation, the group was reinstated for funding purposes in July 1986.

Current Position

5. Among the projects currently operating in Dove House are:
 - (a) community care - luncheon club and laundry service for the elderly;
 - (b) welfare rights - the provision of advice and representation for clients at tribunals, etc;
 - (c) education - an adult education service in conjunction with the Workers Education Association;
 - (d) youth - a "drop-in" facility for young people with activities such as table tennis and pool;
 - (e) women's section - a resort/information source on social and economic matters.

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It is not clear whether an Irish language project previously located in the premises is still in existence.

5. Estimated ACE funding for the current financial year is £203,356. According to DENI the Derry City Council bid for 1990/91 under DENI's community services budget includes £1,600 for Dove House. As the Department simply agrees an overall budget for each Council we have no direct knowledge of whether the Council has made a payment to Dove House, nor do we know whether the WEA (which DENI core funds and which previously ran several short courses in Dove House) is currently operating in the premises. There is no indication, however, of Western Education Board funding for the Centre, or of any IFI support. The Centre continues to enjoy virtual rent-free accommodation from the Housing Executive (peppercorn rent of 5p per year).
6. Since its reinstatement for funding purposes in 1986 the composition of the management committee of the group has been kept under review. (In correspondence with Bishop Daly and Mr Hume at the time it was made clear that a close scrutiny of Dove House would be maintained in order to detect any changes in its organisation or activities which might have a bearing on the provision of Government assistance). The Secretary of State will wish now to consider the separate advice available to him in respect of the organisation and to decide whether current funding should be terminated and further assistance denied to Dove House in line with Mr Hurd's Parliamentary Statement of June 1985.
7. In considering the matter the Secretary of State should be aware that a decision to withdraw funding will almost certainly be vigorously resisted and could generate a similar campaign to that which followed Mr King's decision in March 1986. Discreet

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Public soundings suggest that there is little, if any, concern in the area about Dove House and that local opinion (with the exception possibly of some Unionists) is likely to rally fairly quickly around the organisation. [In the event of a decision to withdraw funding the Secretary of State may wish to consider, therefore, whether contact should be made with Bishop E Daly, and possibly also Mr Hume, in advance of the decision being announced. Although there can be no discussion of the nature of the separate advice available to the Secretary of State prior notification of the Secretary of State's intentions to Bishop Daly and Mr Hume on a confidential basis may help deflect criticism. This might be done via PAB or separate ministerial contact.]

8. Given the nature of the separate advice the Secretary of State will wish to consider whether a decision to deny public funds should simply apply to the Dove House organisation or to organisations operating in or out of Dove House, as is the case with Conway Mill.

9. This submission has been agreed with the legal adviser and Sir K Bloomfield.

Signed

R WILSON

JONATHAN MARGENTIS

PS/Secretary of State (L)

CAB Extn 6461

7 October 1991

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AP