

TUV responds to Sinn Fein/DUP Budget

TUV Consultation Response

A Budget of hype and no substance

On 15th December 2010, after months of haggling and delay, the Executive produced what it not only had the audacity to call a 'Budget', but a Christmas present for Northern Ireland!

Behind all the self-congratulatory hype was a con and a sham. In truth, they had not agreed a budget - as it is recognised in the world of governance - at all, because it contained no spending details, just aspirational targets of the most meaningless variety, with the details promised within a week from each department. Little wonder seasoned economic experts described it as '**vacuous**'. It was a mere **pseudo budget**, which in any event will be rewritten after the Assembly election.

Even its supposed fund-raising projects are discredited, with no legal basis to secure money from Belfast Port, asset sales in a doldrums market and the crowning glory of a plastic bag tax which itself requires Treasury authorisation and legislation.

Upon publication on 15th December 2010, the Finance Minister solemnly promised full details before Christmas from each department of their spending plans, which were supposed to plug some of the gaps in what was being passed off as a budget. Equally, a **full 8 week** consultation was promised. Neither was delivered, with weeks passing before departments drip fed out rudimentary information on tentative spending plans. The truncating of the supposed consultation period and the collective absence of detail demonstrated arrogant contempt for the public.

Not a genuine consultation process

The **High Court** has been clear about what is required in a genuine consultation process. In a Judicial review in 2007 **Mr Justice Weatherup** quoted with approval these four requirements:

“To be proper, consultation must be undertaken at a time when proposals are still at a formative stage; it must include sufficient reasons for particular proposals to allow those consulted to give intelligent consideration and an intelligent response; adequate time must be given for this purpose; and the

product of consultation must be conscientiously taken into account when the ultimate decision is taken.”

It is, therefore hard to see how a consultation process truncated to half the promised period could ever pass this judicial test. In consequence **the Executive’s budgetary process is of doubtful legality.** The Attorney General has been strangely silent in expressing an opinion and the Finance Minister has been unable to answer correspondence from the TUV Leader on the issue. (see Appendix 1)

This mess is entirely of the Executive’s own making. It is the product of the hopeless deadlock and foot-dragging which typifies everything this failed Executive touches.

Fiscal management is the core responsibility of any government, yet on this most fundamental duty this Stormont is floundering and failing. Under Direct Rule at its worst we never had such a mess.

The fact that the Finance Minister does not even attempt to justify what is passing for consultation, knowing that goes to the heart of the legality of his budget, is a commentary in itself, either on how shambolic things have become in this dysfunctional executive or how arrogance has so taken over that the requirements of the law are beneath them. Either way, this is a scandalous situation, but one which will never be addressed in this Assembly because all are in and of government and any Opposition is outlawed.

TUV is not so naïve as to believe that the supposed consultation, such as it is, will change anything, because this is a behind closed doors deal between Sinn Fein and the DUP, where departments other than their own are hit the hardest.

A Budget which puts Executive’s sacred cows before jobs and prosperity

In our preliminary response to the budget we highlighted some key points, which bear repetition, particularly the failure in these tough times to tackle the lavish spending on North/South bodies while imposing savage cuts elsewhere. We also challenged the bona fides of the Joint First Ministers’ ‘Community Fund’, describing it as a sop to Sinn Fein to keep funds flowing to the paramilitary fraternity. We’ve seen nothing to change those views.

At the behest of Sinn Fein and as a disgraceful counterbalance to the necessary, but sadly inadequate and grossly delayed, PMS package, there is what amounts to a **new stream of paramilitary funding** created through what is grandly but deceptively termed a ‘Community Fund’. Thereby the Joint First Ministers will direct funding to favoured groups under the guise of community assistance. Just as the First Ministers shamefully prioritised EU funding for republican prisoner groups, so again under Sinn Fein rule we will see valuable taxpayers resources **wasted on the paramilitary fraternity.** Unlike the necessary PMS package, none of this money will be merely loaned, but will be squandered with no return.

The pay freeze on public sector salaries over just £21,000, imposed by politicians earning several times that, is unfairly punitive on working families on modest incomes.

This is a **could save, won't save Executive**. The dire warning from **John Comptom**, Chief Executive of the Regional Health & Social Care Board, about the future of the Health Service under the Executive's Budget, and his urgent need for tens of millions, points up the total failure of the Sinn Fein/DUP Budget to make available savings so that frontline services could be protected.

The most obvious and painless candidate for saving money is in cutting back on the useless, non-productive **North/South bodies**, which will cost us over **£400m** in this budgetary period. £400m that could be much better used in the Health Service. But, sadly, because the North/South bodies are Stormont's sacred cows, **they'd rather see the health service go short than cut out such patent waste**. Hence not a single mention in the Budget of making savings here, nor in the huge waste on the Irish language.

Who, for example, can point to any achievement of the **Food Safety Promotion Board** located in Cork, employing only staff in the Republic, but into which Northern Ireland taxpayers pour millions every year? So long as the political architecture of the Belfast Agreement is more important than frontline services, then so long will we have failing government at Stormont.

The skewed priorities of DARD

Across government we see skewed priorities. A Minister who in austere times sees a new HQ for her department as a priority, is a Minister out of touch with reality and real farming needs.

It is astounding that Minister Gildernew, while cutting services and even a meagre grant to the YFCU, should think that spending £13m, with more to follow, on moving from Dundonald House is the best use of such a pot of money. This is a Minister who couldn't, or wouldn't, find a penny to help poultry farmers to cope with the transition to enriched cages, but can find £13m for **enriched offices for herself** and her staff!

We must also express disappointment at the lack of any focus in the Budget on the hard-pressed fisheries sector. Once more it seems to be the Cinderella of the department.

The political agenda in DRD

Murphy has decided to cut capital expenditure on water infrastructure – even after the winter crisis – and to cut road maintenance, so that he can prioritise the building of a cross-border motorway, the **A5**, which we neither need nor can afford. To help fund it he has jettisoned the far more necessary **A2** project and in the process wasted £16m already spent, with no return.

The building of a motorway from Dublin to Donegal is not a roads project, but a **political project**. It is not necessary to the infrastructural needs of Northern Ireland.

But it is also a project for which there is no guarantee of funding. A promised contribution from the Dublin Government was trumpeted, but now that government is on its way out, and the Irish Labour Party, a likely component of the next government, has seriously questioned the project. Yet, in year 4 of his DRD Budget, Murphy is relying on a hundreds of millions from the bankrupt Republic which is highly unlikely to ever materialise, **leaving NI taxpayers to pick up the bill once the project is started.**

If we had a proper collective government this is precisely the sort of uneconomic project which in these austere times would be called in and re-examined, but instead it is now within the fiefdom powers of unaccountable Murphy and in time we'll all pay for that.

Stormont budget has money for IRA Shrine, but nothing to build new factories

There are many misguided priorities in this budget, but none more so than the revelation that the Office of the Joint First Ministers has ring-fenced enough money to deliver the Shrine at the Maze through building the 'Conflict Transformation Centre', but DETI can't find any money to build a single new factory!

Though capital budgets have been slashed in departments providing roads, schools, hospitals and factories, OFMDFM is largely immune. Its current level of capital spend is to be preserved over the 4 year term, with the prime beneficiary being the Maze Shrine site. (see pages 3 & 4 of <http://www.ofmdfmi.gov.uk/ofmdfm-spendingplan-2011-2015.doc>). Initially there will be a drop but in year 4, when the main expenditure at the Maze is anticipated there will be a whopping 190% increase in capital spend.

Meanwhile, DETI, charged with economic development, faces a massive 64% cut in its capital budget and confesses in its budget statement that it won't have any money for new industrial development over the next 4 years. (See http://www.detini.gov.uk/2804_3_2.doc where it expressly says, "Invest NI would not now be able to pursue the purchase and development of any new land for industrial development purposes over and above that which is currently in train.")

The fact that money can be found for the Provo Project at the Maze, but no money will be available for new industrial development projects across Northern Ireland, is a shocking indictment of Stormont and the priorities of its DUP/Sinn Fein coalition.

Party politics not patients' needs shaping Health Budget debate

TUV carries no torch for the Ulster Unionist Party or Michael McGimpsey, but it is self evident that the two lead partners in Stormont, DUP and Sinn Fein, are playing politics over the Health budget, even to the point of allowing us to fall significantly behind GB in per capita expenditure.

The **Belfast Telegraph** editorial summed the situation up perfectly, *“Two parties, the DUP and Sinn Fein, dominate and there is little evidence of coherent, collective government.....All the evidence points to the major parties deciding that a minister from a minor party will have to suffer an undue cut to his budget purely on political grounds. That reveals the true dysfunctional nature of the power-sharing administration ...”*

It is very apparent that while there is a DUP/Sinn Fein no strike agreement between themselves over their Budget, it is open season on the other parties and ministers, particularly the Health Minister. The politics being played is obvious. Every interview is taken as an opportunity to attack. Indeed, even the Chief Medical Officer was the object of vitriol from the Finance Minister on ‘Nolan’ - but never a word about the foolish, wasteful priorities of the Sinn Fein ministers.

If on health, of all issues, such party point scoring is the most important consideration for the DUP/Sinn Fein partnership, then it reflects very badly on both of them.

It is clear that health has been sold short. The fact that party politicking is a motivation is scandalous.

Priorities that matter

With Northern Ireland’s economy mired deep in recession, prioritising the Maze Shrine over building factories is scandalous. Neither lead partner in government, Sinn Fein or DUP, have explained why they have presided over unemployment here increasing by more than 100%. More than an extra 30,000 people now face the dole queue than was the case when they took office. Nor have they explained why they have not been able to produce an agreed strategy to boost employment! The recession started in 2007, why on earth have they not been able to come together on an agreed plan by 2011? Maybe it is plain embarrassment that stops them accepting responsibility for the fact that Northern Ireland is now the only part of the UK which still sees the ranks of the unemployment rising and more than 38% of those of working age not active in our economy!

This Assembly has failed to anticipate and then tackle our economic challenges. At times it seems pursuing pet projects like the Maze and the unnecessary A5 are more important than building a dynamic economic agenda that places getting Northern Ireland back to work as a priority.

There are steps which can be taken to quickly turn things around for those seeking employment. Let’s energise our local small and medium businesses. DETI should be directing much more resource to maximising links on an East/West basis rather than promoting the failed North/South agenda to the bankrupt Republic. Let’s look to reallocate functions away from the bloated bureaucracy and into local business. In this way we can both save jobs and also save cost. Isn’t that the sort of new thinking we

need? Let's look to cut away all the "Made in Stormont" red tape that prohibits entrepreneurs.

With economists forecasting another 25,000 people losing their livelihood in the next few years, TUV believes that this is a serious matter and one that merits politicians putting the jobs of the Northern Ireland workforce ahead of their own petty prejudices.

Conclusion

Sadly, instead of a balanced, coherent budget to see us through the pain of tough times, we have a political hotchpotch from conflicting fiefdoms, that doesn't even merit the description of 'budget', packaged in a consultation process which is a farce and delivering nothing of substance for the hard-pressed people of Northern Ireland.

Unless and until we get to a system, through voluntary coalition and a vibrant opposition, where common cause and direction binds the parties which govern, then nothing will change for the better. The vacuous nature of this budget is evidence in itself of the unworkability and absurdity of mandatory coalition.

Appendix 1

Correspondence between Jim Allister QC and DFP Minister

Mr Allister wrote:-

Dear Minister,

When you announced elements of the budget back on 15 December 2010 you promised each department would publish their saving and spending plans within a week. It is a matter of historical record, of course, that this did not happen, that there was excessive delay and some plans when published were rather rudimentary.

In the context of the promised 8 week consultation period you were careful to say that this process would not be led by DFP but by the individual departments, conveying there would be an 8 week separate consultation on each. I would, therefore, be surprised if you sought to contend that in respect of each department the 8 week consultation period was triggered and running from 15th December, even though some did not publish for several more weeks. Such would make a farce of the consultation process. It would be wholly destructive of the ethos and bona fides of consultation if a Department which delayed for 4 weeks could piggy

back on a consultation triggered by a more expeditious department, or the partial budget of 15th December, but in reality only gave half the promised period for comment on its proposals.

I am sure you are aware that in a Judicial review in 2007 Mr Justice Weatherup quoted with approval the four requirements for a genuine consultation process:

“To be proper, consultation must be undertaken at a time when proposals are still at a formative stage; it must include sufficient reasons for particular proposals to allow those consulted to give intelligent consideration and an intelligent response; adequate time must be given for this purpose; and the product of consultation must be conscientiously taken into account when the ultimate decision is taken.”

If, as I'd expect, you wish the consultation process(es) to be bona fide and defensible in court, I'd be obliged to receive your considered assurance that what has unfolded is consistent with the above judicial expectation. If that is your considered view, then, I'd like a full explanation as to how you believe that position to be tenable.

Yours sincerely,

In his reply the Finance Minister, though specifically asked for assurance that the budgetary process was lawful, merely wrote:-

Thank you for your letter of 20 January 2011 referring to the draft budget consultation process.

I note your comments on the consultation process. As you will appreciate the agreement of a budget in respect of the responsibilities of the Northern Ireland Executive is a most complex matter and I outlined to the Assembly how the consultation process should proceed. However it is for Ministers in the Executive and the elected representatives of the people in the Assembly to agree the final version of the budget and in my view it is our responsibility to provide the essential elements of accountability for government revenue and expenditure which our democratic system of government requires.

You will note that the Executive has subsequently agreed to extend the consultation period by a further week (closing on the 16 February 2011).

Yours sincerely

Commenting Mr Allister said:-

“It is very clear the Finance Minister cannot and will not defend the legality of the consultation process for his own Budget. I laid out the legal test which a genuine consultation process has to meet and asked him for assurance that the Executive’s current process meets it. He was utterly unable to give that assurance, because he knows it is

flawed and is proceeding on a wing and a prayer that no one challenges it in the courts. All the Minister could say is “I note your comments on the consultation process.” There was no defence of it or no attempt to reconcile it with what the courts expect.

“It is clear to me therefore that DFP knows the budgetary process is hopelessly flawed, but wishes to close their eyes to this reality. It is surely DFP’s obligation to ensure that the budgetary process which they launch and oversee is indeed lawful, as the validity of years of future expenditure depends on it. It is not enough for the Minister to wash his hands by saying “I outlined to the Assembly how the consultation process *should* proceed.” It didn’t proceed as he outlined, so who now is going to take responsibility for that?

“Nor, is it enough for the Minister to say “*in my view it is our responsibility to provide the essential elements of accountability for government revenue and accountability*”, when he knows that a genuine consultation process is an “essential element” of accountability, and has not been provided. This may be the minister distancing himself from the delays and failures of his colleagues, but as Finance Minister he doesn’t have that luxury. It is his budget. The buck stops with him, unless he wants to plead the Nurembourg defence that he’s only doing what the Joint First Ministers tell him!”