

Briefing on Northern Ireland Budgetary Outlook 2018-20

A Response from the Northern Ireland Rural Development Council (RDC)

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Consultation on the Northern Ireland Budgetary Outlook 2018-20

Introduction

Thank you for the opportunity to respond to this consultation.

About RDC

Set up by government in 1991, RDC now operates as an independent organisation working at a regional level across Northern Ireland.

RDC has a recognised track record in rural development engaging over 7,000 rural projects and spanning over 26 years. RDC has worked with and supported the community, voluntary, private and public sector through a range of economic, social, cultural and environmental projects and programmes. RDC has developed an expertise in gathering and analysing data, research and information from a range of sources, testing, developing and delivering rural solutions, sharing information and building effective partnerships.

RDC works to support the implementation and delivery of the Northern Ireland Rural Development Programme in its role as manager of the Northern Ireland Network Support Unit (NSU). This network engages a membership of over 3,500 individuals with interests in agriculture, environment and rural development.

RDC works to support and encourage integrated rural development actions that recognise and value the contribution of farming, rural regeneration, community development, the environment and culture in realising a vision of *'a living, working, sustainable and shared countryside'*.

Response to the Consultation

General Comments

The briefing paper presents a very bleak picture of the future of public finances in Northern Ireland.

It is understood that the document identifies 3 scenarios that outline different approaches to balancing the budget in the 2018/19 and 2019/20 financial periods, which individual Departments have then submitted responses to, to outline the likely impact on the ability of the Department to function and deliver its work under such financial circumstances.

These scenarios are 3 of many that could be chosen and have been used simply for illustrative purposes and as a means of stimulating debate about how our public services will continue to operate within the short to medium term.

Despite this caveat, the image they portray is a very worrying one indeed, and one which stands in stark contrast to the optimistic, inclusive and outward looking objectives of the proposed new Programme for Government.

The pressures as described and the impacts that will result will be negative for public service delivery right across Northern Ireland, but have the potential to have **an even greater impact on rural communities** where public infrastructure and service delivery is already much more limited.

Balancing the budget will require a combination of approaches. Raising additional revenue now seems inevitable. Means testing should be used where needed to ensure the most vulnerable in society are protected from any new proposals.

It is imperative that any further consideration of scenarios must be subject to rigorous assessment under The Rural Needs Act as well as under Equality Impact Assessment.

RDC has major concerns about the cumulative impact such proposals will have on those already suffering most from poverty, disadvantage and social isolation. The apparent continued desire to work in silos producing separate departmental budgets without consideration of the full overall impact on society is unsustainable and will, in the longer term only add more pressure on government finances.

It also appears to be counter-productive to be reducing resource streams and closing or significantly reducing services at the same time as continuing to offer large capital budgets within the same settlements.

Adequate resource funding is needed to maximise the use of capital budgets and this is not afforded under the scenarios proposed. RDC believes government needs to make the case for more resource funding to also tackle front line delivery of services and in particular to ensure the equitable access to services in rural areas.

Similarly, within DAERA, Department for Communities (DfC), and The Executive Office (TEO) principally, a loss of staff experience will occur both within Departments as well as delivery agents, as programmes supporting community development, good relations, anti-poverty and social isolation work are reduced or closed down completely. In some cases this likely to result in the loss of organisations and networks that have been working for government at the heart of their communities for 20 years or more.

The implications of the loss of programmes such as DAERA's Tackling Rural Poverty and Social Isolation (TRPSI) and others (including within education) that are designed to address community development, poverty and social isolation/inclusion issues are also likely to lead to a significant deterioration in community cohesion and inclusiveness, and employability among others, leading to even greater pressure on other parts of government such as health, criminal justice, and welfare.

It is statistically proven in economic terms that investment in preventive measures greatly reduces the expenditure on treatment in the longer term particularly in relation to health and well-being.

The lack of ability to properly maintain existing public infrastructure such as the roads network, is likely to result in significant additional re-instatement or significant refurbishment costs in the future.

Furthermore, the implications of the combined scenarios also give rise to public safety concerns as highlighted by the Department of Justice (DoJ) in its assessment of the impact of the cuts on its ability to deliver.

Such concern goes beyond the activities of the DoJ, if one considers the potential of delays in access to health service and the impact this could have particularly for rural areas, the combined implications of unmaintained and un-gritted roads and the loss of street lighting in the limited areas where lighting does currently exist.

It is also clear from the responses of various Departments that there is a recognition of the need to transform and modernise much of our public service through the adoption of a cross sectoral/cross departmental approach on issues such as estates, staffing management, IT systems management, etc. This shows the adoption of a considered and strategic long term approach within Departments with the clear intention of providing a much more cost effective public service in the medium to long term.

Such an approach is essential to designing a modern cost effective public service that will meet the current and future needs of Northern Ireland, particularly in working towards the new Programme for Government.

By imposing the levels of revenue budget cuts proposed in this paper, the planning and investment required for this transformation agenda will simply not be possible, and will prove unsustainable. Cuts made now will be at the expense of sustainable efficiencies in the future, and are likely to render the Programme for Government undeliverable, rather than simply delay its implementation as has been suggested.

Asset transfer should be explored with opportunities to engage the community and voluntary sector in finding new ways to reduce costs and increase the potential of income generation.

In considering the potential impacts set out specifically within a rural context, the changes are so wide ranging that it is vital to consider what the overall impact might be, rather than analysing each Department as if it operated in isolation.

RDC believes it is important for government to respond to consultation responses demonstrating how public views have been considered in the outworking of any final budgets agreed.

DAERA Budget Proposals

First and foremost it is with great concern that all 3 DAERA options indicate a cessation to *'all rural affairs programmes'*. Even under scenario 2, which is described as the least difficult scenario to manage, cessation of all rural affairs programmes is deemed necessary. Given the inclusion of this within all 3 options it would seem that the Department is signalling an end to its rural affairs role. This combined with Brexit, recognising DAERA will be the Department most affected by exiting the EU, does not bode well for the future of rural communities.

The Department prides itself on having a vision of *'a thriving and sustainable economy, environment and rural community'*, with a specific strategic outcome of delivering *'a thriving rural economy, contributing to prosperity and well-being'*. The cessation of all rural affairs programmes will impact significantly on the ability of the Department to deliver its vision and strategic outcomes.

Furthermore we are concerned that the terminology '*rural affairs programmes*' is not something widely recognised in the context of DAERA funding arrangements. As a key stakeholder involved in rural development and working with the Department for over 25 years we had to seek clarification as to what was included within rural affairs programmes. Whilst this may not be seen as significant in the scale of things, our concern, within the timescale for consultation, is that not everyone and in particular the wider public may have understood the significance of potential loss, which is essentially all the resource funding for the DAERA Tackling Rural Poverty and Social Isolation programme. This will have impacts on community development, transport, employability, entrepreneurship, social inclusion and poverty projects.

The uniqueness of this programme to tackle emerging issues, pilot new and innovative approaches to rural delivery, often in partnership with other government departments helping to champion rural solutions, and the ability to lever additional funding into rural areas will be lost as a result. We shouldn't forget this programme has already seen substantial budgetary cuts to the extent that valuable programmes such as MARA have been discontinued. It should not be identified as an 'easy option' for continued funding cuts. The cessation of these programmes will have a negative impact on all areas of government.

This fairly modest programme makes a significant contribution to tackling rural specific poverty and isolation challenges. In the absence of this programme within the DAERA budget, government will undoubtedly be required to pick up the costs elsewhere as they strive to meet the needs of rural communities in addressing rural isolation and poverty.

Again, the wider implications of the loss of DAERA's Tackling Rural Poverty and Social Isolation (TRPSI) and others (including within education) that are designed to address community development, poverty and social isolation/inclusion issues are likely to lead to a significant deterioration in community cohesion and inclusiveness, and employability among others, leading to even greater pressure on other parts of government such as health, criminal justice, and welfare.

RDC would urge government to rethink its proposals with regard to rural affairs and in particular retain a Tackling Rural Poverty and Social Isolation resource budget as a means of contributing to the well-being of rural citizens in line with the ambitions of the Programme for Government.

RDC would stress this is not a matter of simply considering potential commitments and slippage but rather the establishment / ear marking of an adequate resource budget to tackle the continued and longer term needs of rural communities in accessing services, health and well-being, tackling isolation, building skills & capacity, and stimulating job creation and rural entrepreneurship.

Government needs to seriously address the underinvestment in rural areas. Any cessation to current rural programmes (which there are very few, the DAERA Tackling Rural Poverty and Social Isolation programme being the only real targeted and specific fund) will only add to widening the gap between rural and urban communities.

The scaling back of existing RDP and Environment programmes is also a concern.

We would question the value of scaling back uncommitted RDP schemes in terms of the potential loss of EU receipts. Furthermore the impact of such cuts on positioning NI agriculture post Brexit needs considered. RDC assumes that the NI Rural Development Programme Monitoring Committee will be consulted in advance of any decision to cut funding from RDP. RDC would also seek assurances that the RDP LEADER budget is protected.

It is unclear as to the extent of impact the scaling back of environmental programmes will have given the lack of detail within proposals as to the nature of such programmes. RDC understands the availability of other funding to the environmental sector has reduced significantly and in that context careful consideration is required to any further cut to environmental programmes and to the cost such cuts would have on long term environmental goals.

RDC understands that these proposals or any variation to same will require Ministerial approval. RDC would urge caution on making decisions in isolation of full impact assessments (Rural Needs Act/Equality Impact).

RDC believes it is important for government to respond to consultation responses demonstrating how public views have been considered in the outworking of any final budgets agreed.



Tony McCusker
Chair



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