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OCT 1999

ROM: Tom Watson
Constitutional & Political Division
12 October 1999

C. Loxley
Cly. Cosgrove (Personal)

Joa - I told Tom Watson
that we agree with ^{cc}
para 7. *RE*

- Mr Jeffrey
- Mr Stephens
- Mr McCusker
- Mr Shannon
- Mr Brooker
- Mrs Madden

Joa spoke over

13/10

Joa - Pl fax a copy to
Andrew McCormick for info.
RE

Mr Crawford

MONEY, MONEY, MONEY

When making the political parties aware of the arrangements for the Mitchell Review occurring later this week in London, their focus, predictably, was not on timing, venue and format but on who was covering the travelling expenses! Consequently I offer the following preliminary observations on the options which we might deploy to resolve the inevitable row if the question is left unanswered.

2. I gave no commitments yesterday, proposing that each party makes its own travelling and overnight arrangements with the issue of expenses being addressed at a later date - partly on the basis that there was no absolute guarantee these would be the only meetings away from Castle Buildings before the Review concluded.

3. Most of the parties recall the policy which Paul Murphy adopted in July to contribute to travelling costs incurred from the time of the Hillsborough Declaration. This comprised an uplift in the monthly "office costs allowance" to the tune of £1500 per party and was paid as a one off lump sum. From this parties could then decide what expenses they wished to cover up to this amount. I imagine, in the case of the smaller

parties, this sum covered the majority of their additional expenses over the period; for the larger parties it probably presented a contribution of 50% or less.

4. The assistance was based on the broad premise that Assembly parties were, from time to time, involved in informal discussions leading to a devolved administration. Consequently the uplift was DFP rather than NIO funded but also had to be paid to all the Assembly parties - including the anti-Agreement ones. While this met DUP claims that they had also travelled to London for Prime Ministerial meetings during the period, the UUAP, NIUP and UKUP undoubtedly benefitted from the uplift and were presumably able to cover other Assembly related expenditure.

5. It will not take too long for parties to submit their claims. (Some have already informed me that they have no money to purchase the air tickets and as an interim alternative will seek to invoice travel companies). The scale of claims could also be wide ranging since the UUP, Sinn Fein and SDLP will bring more than two delegates for the non roundtable discussions and may incur three overnights. The small parties know to bring two delegates (but might bring more) and will incur a maximum of one overnight.

6. In terms of resolving the claims we could stick with the July policy and uplift the office cost allowance. However, the UDP's expenses could not be met under this scheme and Gary McMichael is anxious that the costs of travel to London are covered in some way this time. He would appear to have a justifiable case; the UDP have yet to receive any contribution to expenses occurred since allowances paid under the multi party negotiations ceased in May 1998!

7. On the other hand, the review is a formal structure initiated by both Governments who have agreed to share the costs. Given this more

formal structure - as compared to a series of informal discussions - and the London initiative is Mitchell led, there may be merit in considering a different approach which meets the principle of directly re-imbursing those who incurred expenses. In other words we might wish to consider obtaining details of the parties' expenses with a view of covering these by using two maximum limits - one for the four small parties; the other for the remaining three. This has the advantage of bringing the UDP into the equation but leaving the anti-Agreement parties out of it. In overall terms of the review's costs a ceiling of say £600 per small party and £1500 for the three main parties appears not to be too heavy a burden to consider.

8. These are the two most practical options. Using "office costs" is less focused and more expensive - but it is funded from outside NIO. The second option allows re-imburement on a more accurate and direct basis but the costs would need to be addressed in the context of the review as a whole and hence be borne initially by NIO.

9. You may wish to discuss further including how these issues are presented to Ministers. In the interim I would be happy to take on board any views copy recipients may have on the above proposals.

Tom Watson

Tom Watson
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