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FROM: J L TOWNSON
Talks Administrator
14 May 1991

cc: PS/Sofs (B&L) - B
PS/PMG (B&L) - B
PS/Mofs (B&L) - B
PS/Mr Fell - B
Mr Pilling - B
Mr Ledlie - B
Mr Chesterton - B
Mr Thomas - B
Mr Alston - B
Mr Wood (B&L) - B
Mr Coston
Mr D J R Hill - B
Mr McNeill - B
Mr Archer, FCO RID - B
HMA Dublin - B
Mr Brooker - B
Mr Pope - B

PS/PUS (B&L) - B

SECRETARY OF STATE'S TALKS: FINANCIAL IMPLICATIONS

1. Your minute of 8 May indicated that the PUS wished to chair a meeting to discuss the financial implications of the continuing talks process. I have attempted to forecast our likely requirements in the light of costs already incurred and to reassess the original financial assumptions drawn up on a contingency basis by my predecessor.

2. I attach a summary sheet setting out the revised capital and revenue estimates, together with a narrative annex detailing reasons for variations from the original plans.

3. I have also spoken informally to RCB who advise that it may be possible to treat some of the items as inter Departmental charges eg redecoration and painting, and others as displacement capital expenditure on furniture and equipment. This will have the presentational attraction of reducing the overall costs directly attributable to Talks and will diminish the extent to which they impose charges on DRC's. There is however an irreducible minimum directly attributable to the Talks which amounts to some £124,240 capital and £93,100 monthly.

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4. I must point out however that the figures do not include any provision for moving to a location other than Parliament Buildings and the figures quoted for Party travel and subsistence expenses would increase significantly in the event of meetings in, for example, London. On the basis of each Party taking its full delegation of 10, plus up to 3 support staff, the estimated cost of a 3-day session involving 4 overnights in London would be in the region of £35,000. Other venues outside Northern Ireland are likely to be even more expensive.

5. You will be aware that the present accommodation in Parliament Buildings took a full four weeks to prepare even with the pre-existence of a comprehensive contingency plan and the greatest degree of co-operation from all concerned in the process. Any proposal to move all or part of the talks to any other location will require early decision on the level of equipment, accommodation and other facilities to be provided. In the absence of any such information no provision has been included in the forecast, but you will recognise that the cost implications of any such move are potentially high.

6. I should be glad if you would keep me fully up to date on the location issues raised in paragraphs 4 and 5 in order that my staff and I may be in a position to begin the preparation of a revised estimates bid.

J L TOWNSON
Talks Secretariat

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ANNEX

It should be noted that there are some significant variations from the original plans and the notes below seek to provide a commentary on these:

Press Accommodation

In the original plans, the Press were to have been located on the first floor. At the request of the Parties they have been excluded from the Building and it was decided to provide a separate facility in the West Car Park. This necessitated the hire of a number of portacabins, including two toilet blocks and a mobile classroom. Delivery/removal costs total nearly £5,000 and the provision of M & E Services add a further £10,000. The monthly rental of these facilities is in the region of £3,000.

Party Expenses

Since the original plans were drawn up, we have agreed to increase the rates of allowance to cover loss of earnings from £38.50 per day to £78.50 and the standard rate of mileage allowance and daily subsistence have also risen marginally in the usual annual uprating to reflect price increases. As the estimated total relates to all delegates claiming the full rate of allowance of each of 3 days per week, it is probably on the high side but takes no account of a venue outside Northern Ireland.

Additionally, it has been decided to offer parties assistance towards the cost of commissioning research and employing additional secretarial support. These are likely to cost a one-off sum up to £60,000 and recurrently up to £9,600 per month respectively.

Furniture

Increases over the original estimate are largely attributable to the decision, taken on security grounds, to move the Ministerial suites to the first floor, with a consequent need for new carpets, curtains and venetian blinds.

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Equipment

Parties' requirements for office equipment have varied widely but the objective has been to supply machines with which their support staff are familiar. ISU have been fully involved and with one very modest exception all the equipment is capable of effective redeployment within NICS after the Talks cease.

Redecoration

Although we had hoped to describe the substantial programme of redecoration as "accelerated maintenance" and thus the responsibility of DOE, I sense a reluctance on their part to meet all of the costs as the Building is due to have a major refit in the next two or three years. The sums relating to "Workshops" relate to repolishing doors and tables and the fabrication and fitting out of the bars. It also covers the partitioning in the Conference Room and the extension to the Conference Table.

Assembly Catering Loss

Until a revised pattern of business is established, this figure must remain an estimate to cover the increased cost of the new management contract. It may require to be supplemented by a lump-sum payment to recompense the caterer for loss of function business during the period of the Talks. Both Mr Kennedy, who holds the main catering contract with Compass and Miss Beattie the Catering Adviser with the Government Purchasing Service have been fully involved with the objective of keeping any claims from and payments to the caterer as low as possible.

Departmental Costs

The most significant item is the increase in recurrent expenditure in respect of Officials' Travel and Subsistence, occasioned by the influx of support staff in the PDT.

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In an effort to reduce costs we have reorganised the security arrangements to take account of the revised accommodation and have managed to reduce the complement of messengers from 15 to 12 with a corresponding saving in revenue expenditure. We have also rescheduled the messenger cover at the end of the normal working day to reduce to a minimum the amount of overtime which may be required.

Portering

In view of the urgency with which staff were decanted from Parliament Buildings to other accommodation, much of the removal work took place at weekends with the consequent payment of premium rates to the staff involved.

FURNITURE

REDECORATION

- Painting etc
- Workshops

M & E SERVICES

ASSEMBLY CATERING LOSS

TELEPHONES

- installation
- rental/calls

PORTERING

DEPARTMENTAL COSTS

- officials' T&S
- officials' Taxis
- Staff

- 1 x GS 7
- 1 x DP
- 3 x AO/AA
- 3 x Typists
- 12 x Messengers

- Equipment

SECURITY PASSES

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SECRETARY OF STATE'S TALKS: ESTIMATES SUMMARY

ITEM	ONE-OFF (CAPITAL)	MONTHLY (REVENUE)
PRESS ACCOMMODATION		
- delivery/removal	3,540	
- refurbishment	1,200	
- M & E Services	10,000	3,000
- rental		
PARTY EXPENSES		
- equipment	18,000	38,000
- Talks allowance		17,000
- travel		4,800
- subsistence	60,000	9,600
- Research assistance		
- Secretarial Support	128,000	
FURNITURE		
REDECORATION		
- Painting etc	36,000	
- Workshops	60,000	
	2,500	
M & E SERVICES		7,000
ASSEMBLY CATERING LOSS		
TELEPHONES		
- installation	13,000	1,000
- rental/calls		
	17,500	
PORTERING		
DEPARTMENTAL COSTS		
- officials' T&S		10,000
- officials' Taxis		250
- Staff		2,700
1 x Gd		2,400
1 x DP		2,400
3 x AO/AA		1,500
2 x Typists		9,600
12 x Messengers		1,000
- Equipment	10,000	
	1,000	
SECURITY PASSES		
	<u>360,740</u>	<u>110,250</u>

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