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RECEIVED 25 JUN 1996
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FROM: PS/PUS
20 JUNE 1996

NOTE FOR THE RECORD

cc: PS/Secretary of State (L&B)* - B
PS/Michael Ancram (L&B) - B
PS/Sir John Wheeler (L&B) - B
Mr Thomas - B
Mr Blackwell - B
Mr Leach - B
Mr Watkins - B
Mrs Madden - B
Mr Hill - B
Mr Stephens - B
Mr Carson - B
Mr Sullivan, DFP
Ms Checksfield - B
Mr Dickinson, TAU - B
Mr Fisher - B
Miss Harrison - B
Mr Jones, FSD
Mr O'Mahony, TAU - B
Mrs Sear - B

(* to see especially paras 24-25)

TALKS AND FORUM - FINANCIAL IMPLICATIONS: MEETING ON 20 JUNE 1996

PUS held a meeting on 20 June to discuss the financial arrangements related to the talks and the Forum. PUS was grateful for the helpful briefing provided by Ms Checksfield and Mrs Madden. Mr Blackwell, Mrs Madden, Mr Jones, Mr Sullivan, Mr Watkins, Mr Carson, Mr Dickinson, Miss Harrison, Mr O'Mahony, Mr Stephens and Ms Checksfield were present.

Introduction

2. PUS invited general comments from those present. Mr Blackwell said that the intention of colleagues on the finance side of the Office was to be facilitators, and ensure proprietary and accountability without being unnecessarily bureaucratic. Mr Watkins agreed that arrangements were necessary which would ensure efficiency and accountability; the issue of the letting of the contract was one which he would be highlighting. Mr Stephens said that IPL's intention was to set up systems, in conjunction with FSD, for the Independent Chairman and their staff; he hoped then that the TAU would be able to administer these systems.

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3. Turning to Ms Checksfield's minute of 19 June (not to all) PUS noted the existence of the rules which were applied to Sir Ninian Stephen in 1991/92 and to those applied to the International Body as precedents.


4. Those present agreed that parity of treatment between all three Chairmen as a group should be a guiding principle.

5. On staff, PUS confirmed that he was content that Senator Mitchell had arrived with three aides, and it was agreed that we should not seek to reduce this number. It was agreed that we should be supportive if the other two Independent Chairmen discovered that they needed more staff: staff could not be provided from the NIO but HMG, in conjunction with the Irish Government, should be prepared to meet the costs of any additional aides.

6. The precise status of Mitchell's fourth US based staffer needs to be clarified. Written record is required that this aide is devoting one day per week to talks related business and thus should be paid pro rata [Action: Miss Harrison in discussion with Martha Pope].

7. There was discussion about whether Martha Pope is employed by the State Department or by Congress, and who pays her salary, as she is not seeking a salary from us. This is a political rather than a financial issue as the fact that Ms Pope is paid for by the US Government, who have a strong interest in the outcome of the talks, could be misconstrued. It was agreed that Ms Pope's precise status should be identified, and that we should insist on reimbursing her salary [Action: IPL/CPL].

8. It was agreed that we should accept the current number of aides in post (subject to a further explanation of the precise role of Mitchell's US based aide) but make it clear that any further expansion requires prior agreement by the two Governments: however, in doing so we should make clear that we do not wish to reduce their numbers and, on the contrary, are keen to ensure that the Independent Chairmen have sufficient staff support to meet their needs.

9. Remuneration (Chairmen): 

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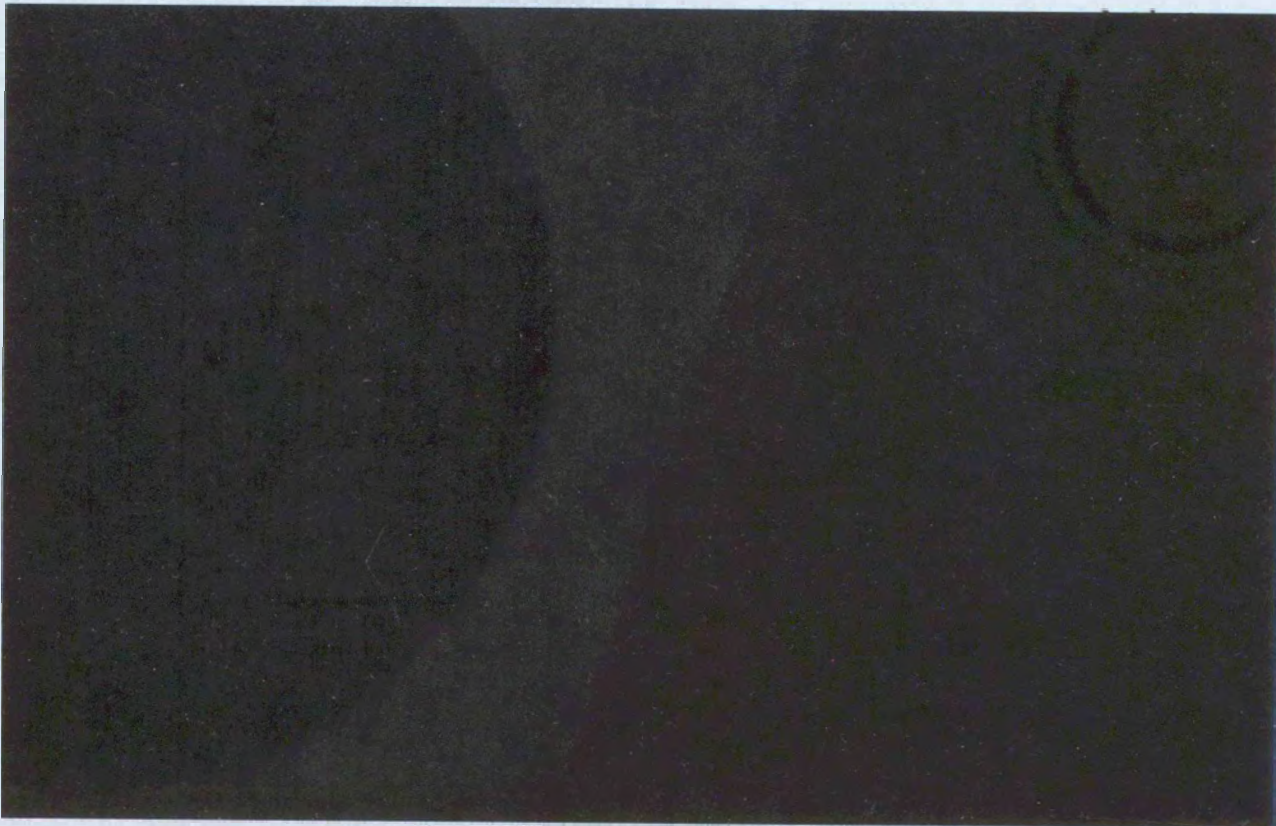
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TAB 1

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20. These issues have been discussed with the Irish at official level; however, they have not given an authoritative response. It was agreed that the package should be given to the Irish in writing for information, but that it should be made clear that we should not wait indefinitely for their response, but would proceed to write to the Chairmen. PUS said that he would want at some stage to have in writing from the Irish Government their agreement to share costs.

21. It was agreed that IPL will need to respond to FSD on the approximate overall costs in year and liability for PES. [Action IPL/FSD]

Forum

22. Staff costs: the number of core staff currently engaged for the Forum is five in light of experience of the Forum's first meetings - it will be necessary to have at least double this number to carry out the logistical arrangements for the forum. This is the standing need for staff; in addition, other individuals are engaged (on a call-off contract) on the days on which the forum meet.

23. The capital cost of the refurbishment of the Interpoint Centre, inclusive of lease costs, is c.4m in total. The Government Purchasing Agency will sign the contract with Mivan on behalf of the NIO and there will be an arbitration clause included in it.

24. Work is in progress but the contract has not yet been signed. Before the contract is signed, officials agreed to seek renewed authority from the Secretary of State to do so, and flag up through these minutes certain issues which he will wish to consider.

- (i) Firstly, our purpose in having a separate building for the Forum is to prevent the talks and the Forum becoming intertwined. This is partly for symbolic reasons ie to maintain a separate identity for the Forum and the talks and also in order to prevent the difficulties which would occur if the talks and the Forum were meeting in the same building as Sinn Fein are eligible to participate in the Forum but not the talks. This would have clear security implications. However, the prospect of Sinn Fein deciding to take up their seats in the Forum or being admitted to the talks is remote, particularly since the Manchester bomb - should we, therefore, be spending money on a separate site? The answer to this question must be yes because the Government's object must remain that Sinn Fein should be eligible to join the Forum even if they could not be admitted to talks in the absence of an unequivocal ceasefire.
- (ii) The talks are going on today in Castle Buildings; there would be acute pressure on space if the Forum was to be accommodated there at the same time.
- (iii) Some of the Unionists have raised security concerns about the Interpoint Centre, but it is not certain to what extent these are genuine; the Secretary of State however, should be guided by the RUC advice which is that the Interpoint Centre is acceptable if not ideal, in security terms.
- (iv) A key concern is to ensure that there is easy accessibility for the public to the Forum - this would not be possible at Castle Buildings. However, only 20 people attended the opening of the Forum; therefore, we may be criticised for spending money on a separate site. However, this is an important issue of principle: the Forum must be designed to be public even if large numbers of people do not choose to attend. (The number of people attending may in any case increase as the life of the Forum progresses).

25. For these reasons, officials are satisfied that the resources devoted to the Interpoint Centre are justified. Before signing the contract, officials will await renewed authority from the Secretary of State to do so.

Lease

26. It was confirmed that there is no break clause in the draft lease presented on behalf of the owners; there is one onerous clause for the NIO as the lease at present would require the NIO

to pay for the upgrading of security for all tenants of the Interpoint Centre should they wish it. Mr Carson confirmed that we have not had an opportunity to negotiate over this lease as yet; Mr Blackwell advised that the GPA should play a full part in this discussion.

D. M.

Other Expenditure

27. Mrs Madden stressed the need to have proper monitoring systems in place to scrutinize in particular travel and subsistence and vouch expenditure for payment by FSD [Action: Mr Carson/FSD]. It was also agreed that further work will need to be done on research grants in conjunction with the TAU, FSD and Central Secretariat.

28. Mr Watkins said that there will be a number of issues with financial implications which may arise as the Forum develops. For example, the UUP have asked for a Forum administration allowance. The question of payment for research done on behalf of the Forum as a whole may arise if the Forum wishes to engage management consultants to examine a particular issue. The question of access to legal advice may also arise; the Secretary of State is bound to provide this under the Act - the most likely provider would be the DFP solicitors on a 'chinese walls' basis.

29. It was agreed that DFP, FSD and Central Secretariat will carry out further work on the reimbursement of DRCs.

Contingency Arrangements

30. In conclusion, it was agreed that it is impossible to eradicate the risk of the talks and the Forum collapsing. A commitment of resources is inevitable and has been done as the will of Parliament. In addition officials have agreed that they will negotiate deletion of some of the more onerous conditions and have inserted a break clause within the contract.

Signed

ANITA BHARUCHA
PRIVATE SECRETARY
20 JUNE 1996