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# The Alliance Party of Northern Ireland

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DISCUSSION PAPER ON FINANCE

Submitted by Mervyn Jones, Jt. Hon. Treasurer

TO JOINT MEETING OF EXECUTIVE AND STRATEGY COMMITTEES

22nd - 23rd August 1987

I was asked as Hon. Treasurer to prepare a statement of the financial position of the Alliance Party for the joint Executive/Strategy meeting on 22nd and 23rd August 1987. The following is my personal view of the current financial state and future prospects of the Party.

#### BACKGROUND:

The financial position of the Alliance Party over the years has always been somewhat precarious. The three financial years from y/e 31/12/83 to 31/12/85 resulted in deficits of £2,636, £548 and £3,060 respectively. This worrying trend was arrested, at least temporarily, in y/e 31/12/86, when the accounts showed a surplus of £5,937. Despite last year's figures, however, it has proved difficult to bring in enough money to meet our expenditure. This is primarily because of shortfalls in the levy commitments from Associations, as a tight control is kept on all budgeted expenditure and actual expenditure on these items is rarely allowed to vary greatly from budget estimate. There are, of course, items of expenditure which crop up unexpectedly from time to time and which haven't been budgeted. While certain of these items, such as leaflets etc., are expected to be self-financing, those which are not can add considerably to an overall deficit.

What has happened over the last number of years is that the reserves which the Party had built up during its early years have been gradually whittled away. The number of staff employed by the Party, which is the biggest single expense, has been cut back to a level from which no further cuts could be made without radically affecting the work that Headquarters does.

#### CURRENT POSITION

The current financial position is confused slightly by the fact that Eileen Ashe is on holiday, and the books have not been written up to date. However, during the seven months to 31st July, 1987, the Party's revenue a/c is showing a surplus of income over expenditure of £1,300. The Election a/c is not yet finalised, but the transfer of the balance of £4,500 in the Fighting Fund a/c would appear to be sufficient to meet all expenditure on this front.

This surplus of £1,300 has occurred because we have received in £25,341 so far in the year from levy and ballot receipts out of the annual levy total of £52,171. Bearing in mind the effect that Elections normally have on levy receipts this is a remarkably good position to be in.

I suspect, however, that the remaining £27,000 in outstanding levy will prove more difficult to get in, as several of the stronger Associations have paid in considerably in excess of half of their levy, while Associations such as Larne and West Belfast seem unlikely to come anywhere near their levy commitments. The question of how to divide the total levy commitment between Associations has been debated on several occasions. It may well be that a more complicated formula for apportioning levy, based on a mixture of votes and membership should be introduced in the future, as the present method is producing a situation where some Associations are capable of raising considerably more than their levy, while other Associations either cannot, or do not, raise anywhere near their levy commitment. In some cases, this is despite the strenuous efforts of the few activists, in others no real attempt is made. There are, however, drawbacks involved with any change in the current system of apportioning levy and the implications of any change would need to be thoroughly thought out before any change was implemented.

#### CURRENT PROBLEMS:

Unfortunately, however, despite the reasonably satisfactory current financial state of the Party, there are several clouds on the horizon. The surplus of income over expenditure of £1,300 is shown after an Assembly refund of £1,367 was paid but before taking into consideration overdue bills of £2,300 which were still outstanding at 31/7/87. The Party has had to learn to live without Assemblymen's contributions, and this loss was a major blow to the Party. The Executive has also committed the Party to the expenditure of an as yet unspecified amount in connection with the purchase of a computer.

The major financial obstacle to be faced in the near future, however, will be the raising of the money needed to renovate Party Headquarters. While the extent and overall cost of this work has not yet been finalised, the final sum will undoubtedly require a major fundraising effort, the success of which will be vitally important to the Alliance Party.

#### FUTURE REQUIREMENTS:

As you are all no doubt aware, the Alliance Party has run for years on a very tight budget, with little chance of building up sufficient reserves to expand its activities or to deal with the unexpected or unplanned expense which occurs from time to time. I feel that there is little that can be done to implement significant savings on the expenditure front especially and expenditure on travelling expenses and meetings and delegations have been reduced considerably.

It follows, therefore, that for the Party to achieve financial security, and to put itself into a position where it could expand to do the numerous tasks that we would all like to see the Party carry out, it would require a sizeable increase in Income.

As has been stated previously, a major increase in income could be achieved internally if levy commitments were met in full, and we all must strive to reach this situation. Suggestions have also been made from time to time that the Party centrally could take a bigger part in raising income. My personal view on this, however, is that the ballot, which is currently a major fundraiser, should be maximised by every Association, is about as much as the central organisation could be expected to contribute towards fundraising, at least at its current staffing levels. Centrally organised functions should undoubtedly be capable of raising funds, but this could well prove to be at the expense of similar functions run at Association level.

The attempt to raise money by the setting up of a Development Committee has proved so far to be only of limited success. To date, some £7,000 has been raised, and the interest from this is not sufficient to make a material impact on the running of the Party. However, this Committee, which has been inactive for some time, has recently been reactivated and hopefully with new drive and enthusiasm, will have a considerable effect on the Party's finances in the future.

While the Development Committee should be raising money for the Party from outside sources, there are occasions when other forms of financing by these sources is preferable. This may take the form of direct donations to the Party from individuals or organisations, perhaps for specific projects. It would be extremely desirable, if it could be arranged, to get some sort of permanent funding towards the setting up of a fulltime, paid leadership. While it would not be possible for the Party to fund such a development internally, it would be of immense value to the Alliance Party, if the necessary arrangements could be made and such a situation were to come about. The vulnerable position of certain of the Party's Leadership since the demise of the Assembly has been of considerable concern and any way to alleviate this situation should be actively pursued by the Party.

When money is on offer from institutions or organisations, however, political decision sometimes need to be taken into consideration, as well as the financial effects.

This is particularly so where political strings may be attached, or be perceived to be attached, to any gift. In such circumstances, each case obviously has to be judged on its merits.

Another possible area where the possibilities of obtaining additional finance might exist would be if the Alliance Party decided to strengthen its relations with other Parties, either in a British or European context. Such a move could possibly have financial implications.

As I stated at the outset, this paper represents my personal view of the current financial position of the Alliance Party, and its future prospects and needs. The major problems ahead, as I see them, are the raising on a one off basis, of the considerable sum of money required to renovate Party Headquarters, and the raising, on an ongoing basis, of a sufficient sum of money to cover current expenditure and enable the Party to expand and develop.

ALLIANCE PARTY OF NORTHERN IRELAND

LEVY DUE 1987

	<u>LEVY DUE</u> <u>1987</u>	<u>LEVY PAID</u>	<u>LEVY PAID</u> <u>1988</u>
East Belfast	£5,126	£2,516.00	
South Belfast	4,694	3,047.00	
West Belfast	2,971	- 120.00	
North Belfast	1,984	850.00	
Antrim	1,280	1,280.00	
Ards	2,823	1,882.48	
Armagh	336	52.00	
Ballymena	336	-	
Ballymoney	336	60.00	
Banbridge	336	336.00	£ 23.00
Carrickfergus	2,932	747.00	
Castlereagh	4,807	2,204.00	
Coleraine	1,407	1,407.00	25.00
Craigavon	1,460	478.00	
Down	1,377	1,038.00	
North Down	6,457	3,206.00	
Dungannon	336	270.00	
Fermanagh	614	614.00	137.00
Larne	1,973	- 120.00	
Limavady	336	336.00	362.00
Lisburn	4,033	1,631.25	
Londonderry	1,080	308.70	
Magherafelt	336	-	
Newry & Mourne	396	132.00	
Newtownabbey	2,902	648.00	
Omagh	1,167	477.00	
Strabane	336	336.00	10.00
	<u>£52,171</u>	<u>£23,856.43</u>	<u>£557.00</u>

? Life Membership

Central Register of Members. -

Outside Finance.

- legacy funds
  - outside mss.
  - Development fund.
- (problems)

minimum fee. £5. except unaged.

Let people know how they can contribute.

[2<sup>nd</sup> Anniversary].