

**JOINT POLITICAL STRATEGY/  
CENTRAL EXECUTIVE COMMITTEES'  
WEEK-END SEMINAR  
13th/14th AUGUST, 1988**

**FINANCIAL REPORT**

**by**

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## FINANCIAL REPORT

### INTRODUCTION

I was asked as Honorary Treasurer to prepare a statement on the financial position of the Alliance Party for the joint Executive/Strategy meeting on 13th and 14th August, 1988. 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. However, the accounts for y/e 31/12/87 revealed a deficit of £4,158.

As can be seen from the above, 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 the budgeted estimate. There are, of course, items of expenditure which crop up unexpectedly from time to time, and which haven't been budgeted for. 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 represents the biggest single expense to the Party, has been cut back over this period to level from which no further cuts could be made without radically affecting the work that Headquarters does.

### CURRENT POSITION

The Party's Receipts and Payments Account for the seven months to 31st July, 1988 is showing a surplus of income over expenditure of £2,211. This includes expenditure of c: £700 in connection with the seminar on Terrorism, which will be reimbursed. However, there are bills outstanding at 31st July of c: £2,800.

The overall financial situation for the year to date, therefore, is that the Party is in a break-even situation, with income roughly equal to expenditure for the year to date. Approximately £30,000 has been received so far in the year from levy and ballot receipts out of the annual levy total of £55,464.

## CURRENT PROBLEMS

Whilst the current financial situation may appear to be relatively satisfactory, there are several clouds on the horizon. There is approximately £30,000 still outstanding in levy commitment for 1988. I suspect that this portion of the 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 Carrickfergus, 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. A formula for apportioning levy based on a mixture of votes and membership could result in an increase in income, 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 a 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. If there was an intention to change the current system of basing the levy on votes cast, with a minimum levy of £500 per Association, the situation could be reviewed before 1990, with the basis of the 1989 Local Government Election figures to work from.

There is also a need for the Party to replace some of its equipment at Party Headquarters, with the aim of replacing old and worn out equipment, and improving efficiency.

Undoubtedly the major financial obstacle at this moment, however, is the raising of the money needed to renovate Party Headquarters. As you are all no doubt aware, the request for Urban Development Grant for this work made by Lagan Properties has been turned down. This refusal has resulted in our having to prepare a more modest, scaled-down set of proposals for Headquarters, which will basically involve only necessary renovations, and a general spruce up of the building. The details of this work have yet to be finalised, but the expenditure is liable to be in the region of £15,000. Of this amount, approximately £7,000 has been raised by the Lagan Properties Share issue.

A further fund-raising campaign to raise the shortfall will be launched in September. The level of success that this fund-raising campaign achieves will be of vital importance to the Party, as the funding of any shortfall will be a further drain on the Party's resources over the next number of years

## FUTURE REQUIREMENTS

For many years, the Alliance Party has run 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, but a close watch will continue to be kept on all expenditure incurred, and any earnings considered justified will be implemented.

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 must all 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. One way in which this could be achieved is that the opportunity currently presented by the central ballot, which is currently a major fund-raiser, shall be maximised by every Association. Changes in legislation, however, mean that it may prove difficult in the future to raise as much money from the ballot as in previous years. I do not feel that, over and above the ballot, there is much scope for centrally organised functions, as they tend to be run at the expense of similar functions run at Association level.

Another area where Headquarters can help towards the raising of the levy is the introduction of a central computerised membership list, and direct mailing for subscriptions. Experiments in this area have taken place this year, and it is hoped to extend this considerably in future years. It is hoped that this system will result in a greater level of subscription, with the money reaching Headquarters much earlier each year. There are, however, drawbacks in the lack of personal contact with branch members, and branches and Associations will need to ensure that they keep in contact with their local members.

It is vitally important that as much money as possible is raised in the rest of this year and early next year, as in May/June, 1988, the Party will be faced with two elections within a month, viz Local Government Elections and European Elections. This could have extremely serious financial consequences for the Party, and considerable thought needs to be given to how the European Election in particular will be funded. Financial constraints may well dictate the kind of campaign that we fight.

## ALTERNATIVE SOURCES OF FUNDRAISING

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. While work has been carried out in this area to reactivate the Committee a major push is needed to get this Committee rejuvenated and functioning, as there is no doubt that the raising of large sums of money from outside sources by the Development Committee could have an important effect on the activities of the Alliance Party, and the role we play in trying to solve Northern Ireland's problems.

While the Development Committee should be raising money for the Party from outside sources, there are occasions when other forms of financing from 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, for example, to have funding available to be able to maintain a full-time, paid leadership.

The vulnerable position of certain of the Party's leadership after the demise of the Assembly was a cause of considerable concern, and any way to alleviate this situation should be actively pursued by the Party.

Where money is on offer from institutions or organisations, however, political decisions 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 area which could possibly have financial implications would be if the Alliance Party decided to strengthen its relations with other Parties, either in a British or a European context.

## CONCLUSION

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 on-going basis, of a significant sum of money to cover current expenditure and enable the Party to expand and develop. On both matters, the next six months, before we once again become embroiled in Elections, will be vital if the Party is to establish a firm financial base for itself.

