

Diana, Princess of Wales Memorial Fund.

ASSEMBLY MINISTERS STATEMENT PURSUANT TO STANDING ORDER 19.13

It is the practice when the Assembly proposes to undertake a notifiable transaction for the Assembly Minister to lay before the Assembly a statement giving particulars of the notifiable transaction and explaining the circumstances and to refrain from authorising the transaction until a period of 10 working days have elapsed after the statement was laid.

I propose to authorise a notifiable transaction to which standing order 19.13 applies. The transaction I am proposing is to enter into an agreement with the Charity Bank and the Diana, Princess of Wales Memorial Fund, where the Assembly Government will stand as guarantor for those organisations in Wales facing financial difficulties as a result of the freezing of the Diana Fund.

The estimated total liability will not exceed £319,163 and the duration of the liability will begin following the acceptance of this notice to March 2004. The reasons for incurring this liability are set out below.

Reasons for the transaction.

As a result of the proposed legal action threatened by a private company, Franklin Mint, against the Diana, Princess of Wales Memorial Fund, the trustees of the Diana Fund froze payment to charitable and voluntary organisations, six of which are based in Wales.

On 30 July, I issued a press statement agreeing to support three of the organisations facing immediate financial difficulty. They were

SCOVO life Options Project;
Displaced People in Action; and
SOVA Refugees in Wales Mentoring Project.

The cost to support these until March 2004 is £211,328.

I was aware that the other three organisations also likely to face difficulties. However they were funded until September 2003 and there was an expectation that matters will be concluded before then. This has not materialised, and the negotiations between the Diana Fund and Franklin Mint to unfreeze the fund may take some time to complete.

At the time I said that if the Diana fund was not unfrozen come September I would give consideration to lending support to the other three organisations as well. They are

NACRO Cymru Project;
West Glamorgan Forum Advocacy Project; and

CADMAD Refugees Behind the Headlines Project.

The additional cost to support these organisations until March 2004 is a further £107,328.

In laying this notifiable transaction, I have now agreed to support all six organisations at a possible future cost to the Assembly Government of £319,163.

Following consultation with the Diana fund and the Charity bank, I am content that the appropriate mechanism to support these organisations is for the Assembly Government to act as a guarantor with the Charity Bank making the funding payments.

This mechanism, standing as guarantor, will not require us to enter into separate agreements with each organisation, nor make arrangements for monitoring or lay alternative grant conditions.

The extent of any call on the Assembly's guarantee will be determined by the ability of the Diana Fund to meet its grant commitments once the outcome of any legal action against it by the Franklin Mint has been concluded or an agreement is reached between the two parties. The guarantee will cease on 31 March 2004.

If, in the light of events, we identify a need for longer-term commitment from the Assembly, I will, in consultation with the Minister for Health and Social Services and the Minister for Finance and Local Government, consider further options.

I have agreed in principle to authorise this Notifiable Transaction committing the Assembly Government to a future liability not exceeding £319,163, by or before March 2004, and trust Assembly Members will concur with my reasons for doing so.

The Assembly Minister has authorised the notifiable transaction in principle. If during the period of 10 days beginning on the date on which this statement was laid before the Assembly at least 10 members table a notice requiring the Assembly minister to seek approval of the Assembly for the Notifiable Transaction then the Assembly Minister shall table a motion seeking the approval of the Assembly for the Transaction and the Assembly Minister shall not authorise the transaction until such approval has been given.