

CONFIDENTIAL



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Tom King MP
Secretary of State for Northern Ireland
Northern Ireland Office
Whitehall
London
SW1A 3AZ

*NRBM**Dear Tom,*

17 December 1987

NHS: SUPPLEMENTARY ALLOCATION IN 1987-88

We discussed yesterday Tony Newton's announcement of an additional £65 million funding this year for Health Authorities in England. As I told you, in normal circumstances, there would be no question of providing an automatic consequence for the NI block of an in-year claim on the Reserve in England. But in the very exceptional circumstances of this announcement, I agreed that there should be a similar enhancement of £2.1 million to the Northern Ireland block. This does not, in any way, present a precedent for the future treatment of in-year claims in England.

The additional funds in England are being tied specifically to the introduction of new monitoring arrangements, to which the Prime Minister attached particular importance, covering health authorities' services income and expenditure, covering outputs as well as inputs; and publication of the results. You will obviously want to consider instituting arrangements on the same lines in Northern Ireland. It would clearly be desirable that such arrangements should be consistent with those in GB from April 1988 and so your officials might like to consult mine quickly about these proposals.

I am writing in similar terms to Malcolm Rifkind and Peter Walker. I am copying this letter to the Prime Minister.

*Yours Ever,
John*

JOHN MAJOR