



DEPARTMENT OF FINANCE & PERSONNEL
RESTRICTED

PAARle

VH1129/98
18/6/98

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FROM: S QUINN

DATE: 18 JUNE 1998

Mr. Hynd EA
22/6 22/6
Mr. Rooney
19/6

PIA
Victims
Conna
file
1039/98
(43)

- 1. PS/MR MURPHY (DFP,B&L) See Copy Distribution Below
- 2. PS/SECRETARY OF STATE (B&L)

VICTIMS - £5 MILLION

Issue: Whether the Treasury of the Block will fund the £5m for Victims announced by the Prime Minister.

Timescale: Urgent - to seek to settle the issue before the planned 29 June announcement on Victims.

Recommendation: The Secretary of State should write to the Chief Secretary in terms of the attached draft.

- 1. NIO colleagues have alerted us to the intention to make an announcement on Victims on 29 June.
- 2. We have just seen that the Secretary of State's CSR bilateral with the Chief Secretary (1 July) will not take place in time for that, so it would be prudent to write to the CST on this single issue (it was of course in the CSR agenda set out in the Secretary of State's 10 June letter).
- 3. A draft is attached.

S QUINN
☎ 21662/21863

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Copy Distribution

PS/Mr Ingram (DED, B&L)
PS/Mr Worthington (DHSS, DENI&L)
PS/Lord Dubs (DOE, DANI&L)
PS/PUS (L&B)
PS/Mr Semple
Mr Jeffrey, Pol Director
NI Permanent Secretaries
Mr Blackwell
Mr Daniell
Mr Stevenson
Mr Kelly
Mr Hewitt
Mr Sullivan
Mrs Madden

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SQ12798GM

DRAFT LETTER FROM THE SECRETARY OF STATE

TO:

Rt Hon Alistair Darling Esq
Chief Secretary to the Treasury
HM Treasury
Parliament Street
LONDON
SW1P 3AG

June 1998

VICTIMS OF THE TROUBLES

As you probably know, during the referendum campaign the Prime Minister decided, after discussing the matter with Gordon Brown and me, that we should make an additional sum of about £5 million available for projects in support of victims of the troubles.

This responded to an approach which Tony had had during one of his visits to Northern Ireland, and was one of a number of interventions which I am sure helped to secure the satisfactory outcome of the referendum. It pre-dated the publication of a report by Sir Kenneth Bloomfield on victims but, with Tony's encouragement, I made it clear that we saw the £5 million as a "down payment" on implementing Bloomfield.

I understand very well the conventional arguments against making calls on the Reserve early in the financial year, but in this case I think it is essential that we should be able to say that the money is genuinely new money, on top of existing allocations. It would be disproportionately damaging if the opponents of what we are trying to do were able to argue that we were helping victims at the expense of cuts in other public services, such as schools and hospitals, not least because it would be said that Tony himself had raised expectations which we had not fulfilled.

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I should therefore be grateful if - separately from the wider range of matters which we are due to discuss on 1 July and about which I wrote to you on 10 June - you could agree that there will be an extra £5 million available to the Northern Ireland block in the current financial year for use in projects to assist victims. We may not, in the event, need to spend it all, but we need to be clear that we can do so if necessary to avoid a search for offsetting savings which would be extremely damaging if it became public knowledge. By way of background, I already face very substantial in-year pressures eg arising from the Moira and Portadown bombs, as well as the costs of the Assembly and Executive in both shadow and substantive forms.

I am copying this letter to the Prime Minister and Sir Richard Wilson.

MARJORIE MOWLAM

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FROM: BILL JEFFREY
Political Director
18 June 1998
BJ/MR/461

Handwritten notes:
copied
am part
see distribution list
submit
18
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MR STEVENSON

cc See distribution list

VICTIMS

As I mentioned to you an hour or so ago, Ministers had quite an extensive discussion at their regular weekly meeting this morning about Mr Ingram's plans for a press notice and briefing on victims tomorrow.

2. The conclusion was that it would be better to defer the announcement until Monday 29 June, after the election. In any immediate post-election statement on Saturday 27 June, the Secretary of State would indicate that something was coming on victims, but she acknowledged that it would be better to hold the substantive announcement over until the Monday, since Mr Ingram will be in Canada on the Saturday. Mr Ingram will probably go ahead with his planned background briefing of sympathetic journalists tomorrow, so you ought to submit bull-point briefing for that purpose.

3. As I also mentioned to you, the Secretary of State went on to express strong reservations about whether the emerging announcement, as described in your submission of 17 June, was sufficiently impressive to stand scrutiny as the Government's first substantive advance on victims since the publication of the Bloomfield Report. In particular, she said that she had been most struck by Sir Kenneth Bloomfield's account of the difficulties which victims had in dealings with the Social Security Agency over benefits. Would it be possible for Mr Ingram's announcement to include the setting up of a hotline, within the Agency, for victims with social security problems, so that they could talk these problems over with a sympathetic official who was in a position to do something about them? Mr Ingram himself expressed some doubts about this approach. Such a facility was likely to be exploited by people who were not in fact victims.

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Its resourcing would not be straightforward and if the inevitable initial surge of calls was not dealt with satisfactorily, it was possible that more harm than good could be done. The Secretary of State nevertheless asked that further work should be done on feasibility on a timescale which would enable an announcement to be made on 29 June if, on reflection, it seemed the right way forward. If not, she was sure that something equally substantial would need to be added to the package described in your submission. I mentioned the regional Family and Trauma Centre as a possibility which was still under discussion with DHSS and could perhaps be fleshed out convincingly in the extra time available between tomorrow and 29 June. Mr Ingram is keen on this, and asked us to follow it up also.

4. I should be grateful if you could follow up both these points with DHSS. My own view is that there is now a good deal hanging on this politically, and that if at all possible we ought to put Mr Ingram in a position to announce the establishment of at least a regional Family and Trauma Centre.

5. Could I use this note also to register one other point on your submission of 17 June? I was a little concerned to see from paragraph 3(a) that the Treasury have not yet been pinned down on the proposition that the Prime Minister's £5million should be genuinely additional. If there is any suggestion that it is not, and in particular that it has had to be found at the expense of other priority programmes in Northern Ireland, it will be extremely damaging to Ministers politically. This does not necessarily imply an immediate call on the Reserve, but it does require a Treasury assurance that such a call will be entertained without question if necessary and that there is therefore no need to identify savings now in order to start spending the money. I noticed that Mr Quinn's submission of 4 June invited the Secretary of State to consider whether the Prime Minister's promise of £5million should be lodged with the Chief Secretary as a claim for additional resources, but so far as I am aware this elicited no response. The Secretary of State's letter of 10 June to the Chief

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Secretary included a reference to the £5million, but simply as one among a number of matters which would need to be discussed bilaterally with Treasury Ministers.

6. I would not want to do anything to cut across the CSRs or the general in-year management of the block. But I do think that the circumstances in which the £5million victims fund emerged are such as to give us unusual leverage with the Treasury, which it would be a mistake not to exploit. I attach the kind of draft letter which could be sent to the Chief Secretary, subject to the views of finance colleagues. I should be grateful to know from Mr Quinn whether he would see any objection to an approach on these lines. I am not at all wedded to the words in the draft letter which might well need some adjustment to take account of the wider financial context. I also don't mind whether the approach to Ministers comes from DFP or from the Political Directorate.

(Signed)

BILL JEFFREY

11 Millbank ☎ 6447

Distribution List:

[Mr Billy Stevenson]

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Mr Semple

Mr Gowdy

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Mr Maccabe

Mrs Madden

Ms Dodd

Ms Butcher

Mr Quinn

Mr Chris Thompson, Chief Exec Social Security Agency

*J. Henry
Sullivan*

RESTRICTED**DRAFT LETTER FROM THE SECRETARY OF STATE****TO:**

**Rt Hon Alastair Darling Esq.
Chief Secretary to the Treasury**

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3. I understand very well the conventional arguments against making calls on the Reserve early in the financial year, but in this case I think it is essential that we should be able to say that the money is genuinely new money, on top of existing allocations. It would be disproportionately damaging if the opponents of what we are trying to do were able to argue that we were helping victims at the expense of cuts in other public services, such as schools and hospitals, not least because it would be said that Tony himself had raised expectations which we had not fulfilled.

4. I should therefore be grateful if - separately from the wider range of matters which we are due to discuss and about which I wrote to you on 10 June - you could

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HMA?

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all,

MARJORIE MOWLAM