

BUILDING A PROSPEROUS AND UNITED COMMUNITY



HM GOVERNMENT



Northern Ireland
Executive

Table of contents

Foreword.....	3
1. Rebalancing the economy and building a shared future.....	5
2. Unlocking projects to boost the Northern Ireland economy ...	13
3. Building greater links between the Government and Northern Ireland Executive to drive private sector growth.....	18
4. Implementation of this agreement	19

BUILDING A PROSPEROUS AND UNITED COMMUNITY

Foreword

The world leaders we look forward to welcoming to Fermanagh next week will see a society that has already made great strides forward.

We are in a new phase where we can build on the hard-won political stability and strengthen the foundations for lasting peace and prosperity for future generations.

The Government and Executive are committed to working together to tackle the important challenges of:

- rebalancing the economy to meet the challenges of today's global race for investment and jobs; and
- tackling the long-term, entrenched divisions in society.

Progress on both of these is vital if we are to maximise Northern Ireland's potential.

The proposals in *Together: Building a United Community*, announced by the Executive's leaders on 9 May, demonstrate a commitment to tackling division and building a shared future. The Government welcomes the plan and will work with the Executive to help take it forward.

The First Minister and deputy First Minister's proposals include:

- A programme to reduce and ultimately eliminate all of the so-called 'peace walls' by 2023.
- 10,000 United Youth Programme cross-community placements for young people;
- Ten shared educational campuses in five years; and
- Ten shared neighbourhood developments.

The measures we are agreeing today, subject to formal ratification by the Executive, complement this plan. We need the right economic strategy to promote a stronger private sector, and we need to build a more cohesive, shared society. This is a package that requires both the Government and Executive to work imaginatively to help us move further towards a shared and prosperous society.

We have agreed:

- An investment plan that confirms we are on course to deliver the commitment to £18 billion of capital funding over the period 2005-2017;

- £300 million investment through enhanced capital borrowing powers, and Government top-ups to PEACE IV and EU Structural Funding to support frontline projects;
- To continue Northern Ireland's Assisted Areas Status coverage in order to help the Executive provide the targeted support that has helped to promote over 3,000 new private sector jobs in the last three months alone;
- A new way forward on Enterprise Zones and planning reform, as well as initiatives to drive investment in infrastructure, promote new businesses and boost tourism.

Importantly, we have agreed a potential mechanism for taking forward the devolution of Corporation Tax if the Government decides to devolve these powers.

Next week, we will be showcasing to the world an increasingly outward looking society, open for business, focusing on the steps needed to succeed in a competitive global economy, and tackling divisions within the community.

This agreement is a symbol of our ambitious vision: a genuinely shared society that can fulfil its economic potential and strengthen the foundations for continued peace, stability and prosperity for the future.

Rt. Hon. David Cameron MP
Prime Minister

Rt. Hon. Peter Robinson MLA
First Minister of Northern Ireland

Rt. Hon. Theresa Villiers MP
Secretary of State for Northern Ireland

Martin McGuinness MLA
deputy First Minister

1. REBALANCING THE ECONOMY AND BUILDING A SHARED FUTURE

Investment to build a shared future and support jobs

1.1. The Government and Executive are clear that it is only by building a shared and cohesive society that a stable and prosperous future can be secured for Northern Ireland. Moving towards a shared society is essential if Northern Ireland is to maximise its economic potential in the global race for jobs and investment.

1.2 The First Minister and deputy First Minister announced a substantial new package of measures to build a shared future on 9th May. The package included:

- A ten year programme to reduce and ultimately eliminate all “peace walls”;
- 10,000 *United Youth Programme* cross-community placements for young people;
- Ten shared educational campuses in five years; and
- Ten shared neighbourhood developments.

1.3 On 23rd May, the First Minister and deputy First Minister published their new *‘Together: Building a United Community’* strategy, setting out a detailed framework for Executive action to promote a shared society. FM/dFM will publish shortly a detailed plan for the delivery of the shared future projects outlined on 9th May. The Government and Executive have now agreed a package of additional measures to assist the Executive in rebalancing

the economy and delivering a shared future.

1.4 **Capital borrowing:** To support the Executive’s investment in this area, the Government has agreed to a temporary extension to the Executive’s capital borrowing facility under the Reinvestment and Reform Initiative (RRI).

- The **Government** will make available up to an additional £50m in 2014-15 and in 2015-16. The additional borrowing will be used to help support specific shared housing and education projects.
- This £100m additional borrowing power will be conditional on the **Executive** demonstrating progress on the implementation of this strategy and demonstrating a clear link between specific projects and the promotion of a shared society.

1.5 **PEACE IV:** The Government and Executive recognise the important role PEACE funding has played in supporting cross-community projects to promote reconciliation and in tackling inequalities and disadvantage. As a result of the EU budget negotiations, the PEACE Programme has now successfully secured €150 million funding for a future PEACE IV.

- The **Government** will provide an additional €50 million from the UK Territorial Co-operation

budget to the PEACE IV programme, subject to confirmation of the UK's European Territorial Co-operation allocation.

- The **Executive** will seek, where appropriate, to use this additional funding to support the *United Youth* programme announced by the First Minister and deputy First Minister on 9th May. The Executive will seek North-South Ministerial Council agreement to ensuring that submissions to the Special EU Programmes Body put building a shared and integrated society at the heart of our objectives for the PEACE IV programme.

1.6 Structural Fund allocation: EU Structural Funds play an important role in promoting competitiveness and enterprise, and have the potential to support cross-cutting programmes to build a shared and cohesive society. The Government and Executive recognise the concern that the EU criteria for the allocation of Structural Funds for the period 2014-2020 would have led to a 43% reduction in funding for Northern Ireland.

- The **Government** is committed to revising the allocations of Structural Funds envisaged by the EU criteria. We will ensure that around a further €181 million of additional funding will be available for Northern Ireland, subject to European Commission approval and the ongoing negotiations with the EU Parliament on the EU Budget. This will take Northern

Ireland's overall allocation for the period 2014-2020 to around €457 million.

- Proportionately, the UK Government will be providing a greater internal transfer of funding to Northern Ireland than any other part of the UK, reflecting the Government's recognition of the important support that Structural Funds could provide in promoting enterprise and, in that way, support cross-community cohesion.
- The **Executive** will maximise the opportunity provided by these additional funds to drive competitiveness and growth, whilst also using the funding as far as possible in a way that is consistent with the objectives set out in the programme of work envisaged in the *Together: Building a United Community* strategy.

Boosting growth

1.7 The Government and Northern Ireland Executive have taken forward a constructive and positive programme of work examining the potential for devolving Corporation Tax powers to the Northern Ireland Assembly.

- The **Government** will take forward further work on Corporation Tax devolution and make a final decision on the devolution of these powers no later than the Autumn Statement 2014.
- Following discussions between

the Prime Minister and the First Minister and deputy First Minister, the **Government** has explored the best means of taking forward legislation in the event of a positive decision to devolve Corporation Tax powers. The Government's view is that we would be able to proceed using a stand-alone Bill to make the necessary legislative change.

- In the event that the **Government** did decide to devolve the powers, we would introduce the stand-alone Bill in the normal way with the aim of it becoming law before the prorogation of Parliament prior to the 2015 General Election.
- The **Government** has set out to the First Minister and deputy First Minister a way forward on this issue between the signing of this pact and autumn 2014.

1.8 The Government and Executive recognise that there is a need to examine the potential to devolve additional fiscal powers and increase the financial accountability of the Executive.

1.9 At present over 90% of the Northern Ireland Executive's expenditure is funded by the Block Grant, which is provided by the UK Government from UK-wide revenues. The Scotland Act 2012 provided for the devolution of substantial revenue raising powers to the Scottish Parliament. In Wales, the independent Silk Commission has published its Part 1 Report on the case for further fiscal

devolution to the Welsh Assembly and the Government is currently considering these recommendations.

1.10 The Government and Executive agree that the devolution of some further tax powers might have the potential to enable local politicians to respond in a more tailored way to the social and economic challenges that Northern Ireland faces. The Government and Executive have already agreed to devolve to the Northern Ireland Assembly the power to set Air Passenger Duty on long-haul flights, helping to preserve Northern Ireland's vital air link to the United States.

- The **Government** and **Executive** will examine the potential for devolving specific additional fiscal powers.
- This work will include examining the potential for a corresponding and ongoing increase in the Executive's annual capital borrowing limit, proportionate to any additional revenue raising powers and considering wider issues of affordability.
- The **Government** and **Executive** recognise that decisions around any further fiscal devolution require careful consideration and analysis. Following this examination, recommendations for further devolution will be put to Executive and Government Ministers by autumn 2014.

Providing targeted support to the private sector

1.11 **Assisted Area Status:** Northern Ireland faces unique challenges in the context of a need to rebalance its economy and address disadvantage and continuing divisions. The current 100% Assisted Area status coverage enables the Northern Ireland Executive to provide targeted support to a range of private sector led projects throughout Northern Ireland. Selective Financial Assistance provided through Invest NI has helped to promote over 3000 new jobs in Northern Ireland in the last three months alone.

1.12 As part of this economic package, the Government will continue with 100% Assisted Area Status coverage for Northern Ireland. This policy will be retained for at least the medium term. The Government recognises that this is a key priority for the Northern Ireland Executive and we will show flexibility on this issue in the context of measures the Executive will develop as part of this package to boost the private sector.

- The **Government** will ensure that Northern Ireland continues to benefit from 100% Assisted Area Status for at least the medium term. As part of any UK wide mid-term review of 2014-2020 Assisted Area Status coverage, we may look again at Northern Ireland's economic position. However, in any such review, we will continue to have regard for the particular challenges faced by Northern Ireland before embarking on any possible changes to coverage levels. In the longer term, our

aim is to move away from the need to provide such state support which is why the statutory basis for automatic 100% Assisted Area Status will be removed.

- The **Executive** will continue to use Selective Financial Assistance Programme post 2014 to drive investment and business expansion in Northern Ireland. In the most recent financial year ended 31 March 2013, Invest Northern Ireland promoted almost 7,400 new jobs and secured nearly £608m of investment across R&D, skills and jobs. Creating new jobs will remain central to the Executive's strategy to rebuild and rebalance the Northern Ireland economy.

1.13 **Enterprise Zones:** Enterprise Zone status can help businesses in selected zones by enabling business rate discounts, relaxed planning regulations and other incentives, such as enhanced capital allowances (ECAs) in certain designated areas.

1.14 Many of the benefits associated with Enterprise Zones in England are the responsibility of the NI Executive, which has taken action to enhance Northern Ireland's telecommunications infrastructure; reform the planning system; and introduce non-domestic rating policies which support business growth.

- The **Government** would be willing to consider designating a range of sites within any Northern Ireland Enterprise Zone as designated areas for

ECAs, should the Executive propose them. Businesses in these areas would then be entitled to 100% first-year allowances on qualifying plant and machinery expenditure, subject to state aid considerations.

- The **Government** will enable the Executive to increase the number of areas which benefit from ECAs beyond those funded by the UK Government, if the Executive agrees to meet the incremental cost and subject to wider state aid considerations.
- The **Executive** will consider how the potential for designating Enterprise Zones, when combined with other available economic development tools such as Selective Financial Assistance, would be of benefit to the Northern Ireland economy and, if appropriate, propose sites that could benefit from Enhanced Capital Allowances by October 2013.

1.15 *Reducing business red tape:* We recognise that reducing regulatory burdens on business is a pressing priority. Businesses responding to the Government's consultation paper on Rebalancing the Northern Ireland economy consistently cited the need to reduce red tape for companies in Northern Ireland.

- The **Executive** will conduct a review of business red tape to reduce the regulatory burdens facing businesses in Northern Ireland. The review will report by

December 2013, allowing the Executive to take forward its recommendations rapidly. The Government will work with the Executive to share best practice from its Red Tape Challenge and other Better Regulation initiatives.

1.16 *Research and Development:* The Government and Executive support the aim to increase business spending on R&D in order to help Northern Ireland diversify and deepen its export base. While R&D spending in Northern Ireland is now proportionately on a par with the UK average, we recognise that R&D investment remains below the spending in comparable small economies elsewhere in Europe.

- The **Government** and **Executive** recognise the importance of Bombardier as one of Northern Ireland's largest private sector employers. Subject to necessary approvals, including clearance under State Aid rules from the European Commission, the Northern Ireland Executive will provide a £12 million R&D grant to enhance its engine nacelles design, development and manufacturing capability.
- Subject to meeting value for money criteria, and in recognition of its strategic importance to the UK, the **Government** will provide up to £8 million over the next five years to help secure the future of this technology, which we recognise would also increase the opportunity of securing work on

future aircraft programmes. This combined funding from the Government and Executive has the potential to create at least 230 new jobs.

- The **Government** is developing the business case to provide up to £3 million additional funding to support Aerojet to set up a UK wide partnership that will build a facility to test rocket engines in Northern Ireland under the National Space Technology Programme.
- The **Government** will ensure that Northern Ireland benefits from access to the £2 billion Aerospace Technology Institute which will support research and development in this key sector.
- The **Executive** and **Government** will work together as part of the process of implementing this deal to establish whether there is more that the Executive and UK Government can do jointly to stimulate spending on R&D in Northern Ireland.

Promoting Northern Ireland as a great place in which to invest

1.17 The Government and the Executive are working together to maximise the opportunity provided by the G8 summit to showcase Northern Ireland as a great place in which to do business. We now need to capitalise on the global exposure Northern Ireland will receive from hosting the summit.

- The **Executive** and

Government will work jointly to maximise the positive legacy of the G8 summit in Northern Ireland. According to a recent report by Barclays, the summit has the potential to provide a boost to the economy around the time of the Summit, and could generate significant longer term benefits through tourism, FDI and exports.

- The **Executive** and **Government** will build on the summit by delivering a major G8 branded Investment Conference in Northern Ireland in October. The Prime Minister will attend this conference to champion investment in Northern Ireland.
- The **Executive** is developing an International Relations Strategy that will be informed by Ministers' recent overseas visits to countries with potential for long-term benefits to Northern Ireland. This strategy will provide a focus and brand identity across the Executive and its agencies, such as Invest NI, to promote specific areas and sectors of work in those countries. This work will also build on the goodwill and relationships built up through inward visits to Northern Ireland. The results of this will be to increase the Executive's presence in key markets, strengthen our international economic position and support investment, trade, tourism, agriculture, peace building and conflict resolution, science and technology development.

1.18 The Executive's Economic Strategy has prioritised export-led economic growth as the key means of rebalancing the Northern Ireland economy towards one characterised by a sustainable and expanding private sector that will deliver growing employment and prosperity for all.

- In recognition of the importance of boosting trade and investment, the **Government** has tasked our Embassies in emerging markets to promote jobs and growth in Northern Ireland. UKTI and Invest NI will deepen and strengthen their work to support and develop their key sector offers on ICT and creative industries; business and financial services; renewables and agri-food.
- The **Government** will work with the **Executive** to increase the number of banks and brokers we work with in Northern Ireland who provide export finance in order to ensure our products are widely known and available to eligible exporters.
- The **Government** continues to work closely with participating banks to identify improvements to the Bond Support and Export Working Capital Schemes. Under the schemes, UK Export Finance is able to provide guarantees to banks in support of an exporter's working capital and bonding requirements. This can help increase the size of the available facility. We will also continue to work with invoice finance providers to explore ways in

which they may use our credit insurance policy to allow them to provide more working capital to their exporter customers.

- The **Executive** will bring forward proposals for consideration by the **Government** on an Export Tax Credit, including forecast economic benefits for Northern Ireland.
- The **Executive** recognises that a positive outcome to the cross-party work on issues like parading and flags is essential to provide a stable, long-term platform to promote investment. To maximise Foreign Direct Investment it is vital that we can point to substantial ongoing efforts by the Executive to build a shared and prosperous future for the people of Northern Ireland.

Providing a boost to tourism in Northern Ireland

1.19 The Executive is capitalising on the increased interest levels and awareness generated by supporting a number of opportunities in 2013 to further increase Northern Ireland's profile on a world stage. These include the UK City of Culture, World Police and Fire Games and the hosting of the G8 Summit in Fermanagh. The Government and Executive recognise the lasting benefits that hosting the G8 summit in particular can bring to the tourist sector in Northern Ireland. The tourist sector has huge potential, but we recognise that the contribution of tourism to the economy in Northern

Ireland remains lower than in the rest of the UK. We will work together to maximise visitor numbers to Northern Ireland over the coming decade.

1.20 The Government recognises there would be benefits from increasing the number of visitors to the Republic of Ireland who also visit Northern Ireland and Great Britain. The UK and Irish Governments are working together to strengthen the external border of the Common Travel Area. This has the potential to enable a reciprocal visa arrangement, with significant possible benefits to the tourist sector in Northern Ireland. As a first step, the Irish Government introduced a visa waiver scheme accepting visitors from 17 countries with a UK visit visa for travel to the Republic of Ireland without applying for a separate Irish visit visa.

- The UK **Government** is assisting the expansion of the Republic of Ireland's visa biometric programme. This work should enable a long-term and groundbreaking way forward on a reciprocal visa arrangement for the UK and Ireland.
- The **Government** will aim to take forward a pilot scheme as a first phase measure. Subject to

appropriate safeguards, and to agreement between the UK and Irish Governments, we will work towards a pilot visa waiver reciprocation by the UK which would permit visitors from some destinations to enter Northern Ireland and Great Britain using an Irish visit visa, without the need for a separate UK visa. This pilot will help to maximise tourism and business activity between Northern Ireland and the Republic of Ireland for legitimate visitors.

- This measure will provide an important boost for the Northern Ireland **Executive's** drive to increase tourism revenue and numbers. The Executive aims to increase tourism revenue to £676 million and visitor numbers to 4.2 million by December 2014, whilst working towards a long term goal to make tourism a £1 billion industry by 2020. This visa waiver pilot, and the follow-up work on a wider reciprocal visa arrangement, have the potential to provide a long-term platform to help the Executive boost the tourist sector.

2. UNLOCKING PROJECTS TO BOOST THE NORTHERN IRELAND ECONOMY

Pushing forward with infrastructure projects

2.1 The Government and Executive recognise the importance of driving forward infrastructure projects to provide a short-term stimulus to the economy and to lay the longer-term foundations for private sector growth.

2.2 **Securing the £18 billion capital investment package:** The previous Government made a commitment to provide an £18 billion capital investment package to Northern Ireland over the period 2005-17. In recent years, the UK Government has provided significant additional capital funding to the Executive through Barnett consequentials after recent Budgets and Autumn Statements and through the additional capital borrowing facility set out in this package. Capital funding for the NIE in 2015-16 will be confirmed at the Spending Round 2013, which will be announced on 26th June.

- In light of these developments, and the measures in this package, the **Executive** agrees that the Government is on course to meet the £18 billion commitment, and the reference to the Joint Ministerial Committee is therefore resolved.

2.3 *Using UK Government guarantees as a means to unlock key projects:*

- The **Government** will apply its Infrastructure Guarantee Scheme flexibly to ensure that locally or regionally significant projects in Northern Ireland will be eligible, subject to the projects fulfilling the other relevant criteria. The scheme currently requires qualifying projects to be ‘nationally significant’.
- The Commercial Secretary to the Treasury and the Secretary of State for Northern Ireland will host a seminar in Northern Ireland in the autumn to promote UK Government support for increasing private sector investment in infrastructure.
- The **Executive** will identify a range of projects and put these forward to HMT as soon as practicable so that these initiatives can be considered for eligibility for the Guarantee Scheme. These initiatives could include shared future projects that the Executive wishes to take forward as part of its *‘Together: Building a United Community’* strategy.

2.4 *Creating a planning system that supports economic growth:*

- The **Executive** will establish a new process for economically significant planning applications, and make new arrangements in relation to applications for Judicial Review of planning decisions.

2.5 *Maximising the potential of Belfast Port:* The Budget agreed by the Northern Ireland Executive for 2011-15 recognises the need for the Executive to realise revenue from the Port within this Assembly term. Although Belfast Port is a Trust Port and therefore an independent statutory body, it is important that a major public asset like the Port delivers a demonstrable economic benefit for the people of Northern Ireland.

- The **Executive** will take forward a substantial programme of work to examine how the financial potential of Belfast Port might be unlocked.
- The **Government** will work with the Executive to provide practical support on this project; share best practice from our work on Trust Ports in GB; and assist in the consideration of the legislative options for any potential changes to Belfast Port.

2.6 *Unlocking revenue from the Executive's assets:*

- The **Government** and **Executive** already have an agreement by which the

Executive can retain the proceeds of sales from a range of assets. The Executive will continue to identify opportunities to unlock revenue from its assets.

- The **Executive** agreed to the creation of the Asset Management Unit in January 2011 which has identified capital realisation opportunities across departments, assisted each department with the production of Asset Management Plans, transferred land and property data onto a central asset register and prepared a draft Asset Management Strategy aimed at releasing long term efficiency savings across Central Government.
- The **Executive** will build on this work by conducting a review of its assets to establish whether further savings can be made to help deliver wider economic growth programmes. The **Government** will share best practice from the work carried out by its Government Property Unit. Since May 2010, the Government has saved £1 billion for the taxpayer by selling property and land no longer required by the Civil Service. Disposals of surplus land could provide significant resources for the Executive whilst opening up new opportunities for businesses in Northern Ireland.

2.7 Building on Northern Ireland's strong communications infrastructure: The Government and Executive have taken forward a successful programme of work to create a high quality communications infrastructure in Northern Ireland. The Government provided £4.4 million from the Broadband Delivery UK rural broadband programme for Northern Ireland in 2011. Belfast and Derry/Londonderry have been successful in their bids for super-connected city status.

- The **Government** and **Executive** will work together to implement the rural broadband project as quickly as possible.
- The **Government** is beginning to roll-out the Mobile Infrastructure Project in Northern Ireland. As committed in the 2012 Budget, we will ensure that the A2 and A29 will be provided with coverage and we have already begun work to identify locations that will benefit from our investment in tackling the mobile 'not spots' problem.

2.8 Air Travel: We are committed to exploring what else we can do to support Northern Ireland's vital air links.

- The **Government** and **Executive** will consider with the US authorities, and other interested stakeholders, the feasibility of establishing US immigration, customs and agricultural pre-clearance at Belfast International Airport,

including the practical and legal issues that would need to be addressed. This facility is currently available at Dublin and Shannon Airports, allowing for easier and quicker connections and arrivals in the US.

- The **Government** will act in accordance with its EU obligations to provide appropriate support in relation to the protection of Northern Ireland's regional air links.

The provision of surplus MoD assets to boost growth and build a shared future with equality of opportunity for all

2.9 The Government has delivered on its commitment to gift surplus military sites to the Northern Ireland Executive. In 2011, four military sites were transferred to the Executive. The Government and Executive will go further than this to examine whether additional surplus military assets in Northern Ireland might help the Executive to boost growth and build a shared future with equality of opportunity for all.

- The **Government** has made a proposal to resolve the outstanding issues around the historic leased area of St Lucia Barracks.
- The **Executive** will accelerate development of military assets already gifted to the Executive.
- The **Government** will explore the potential for gifting or transferring up to 350 surplus

Ministry of Defence houses to the Northern Ireland Executive as they become available over the next year, subject to funding considerations. These houses would be provided subject to their being used in a way that is consistent with MoD's operational requirements and our joint objective of building a shared future for the people of Northern Ireland.

- The **Government** and **Executive** will work together to identify whether it might be possible to transfer further surplus military assets in the future on a case by case basis, subject to this being compatible with continuing operational defence requirements.

Helping businesses to access the finance they need to thrive

2.10 The Government and Executive acknowledge the significant challenges facing Northern Ireland banks, and the difficulties in accessing finance that remain a major concern for local businesses. In particular, we recognise that a significant number of Northern Ireland businesses are currently constrained by the repayments required on loans taken for past property investments. This property 'overhang' means that these businesses can no longer access the working capital they need to operate or to develop new opportunities, which presents a risk to economic recovery in Northern Ireland.

2.11 In recognition of these challenges, we will redouble our efforts to promote lending to businesses, and

will ensure that Northern Ireland is taken into account as the Government considers the way forward on banking issues more generally.

- The **Government** will extend the Start-up Loans scheme to Northern Ireland. People wanting to start their own business across Northern Ireland will benefit from access to this £117 million UK fund.
- The **Government** will work with the **Executive** and a suitable bank to enable viable businesses in Northern Ireland to benefit from a pilot extension to the Enterprise Finance Guarantee Scheme aimed at addressing loan affordability. A range of scheme designs are being developed that will unlock new lending by giving banks greater confidence in SMEs' ability to meet the cost of loan repayments.
- The **Government** and the Business Bank will work with the Executive to support lending to businesses in Northern Ireland. The Business Bank will work with finance providers in Northern Ireland to deliver products that provide relevant solutions to the access to finance difficulties in the region, as part of its role in boosting access to finance across the UK. The Secretary of State for Business, Innovation and Skills and the Secretary of State for Northern Ireland will host a joint seminar with NI Executive Ministers and

business leaders to help raise awareness of the Business Bank in Northern Ireland.

- The **Government** will work with the **Executive** and the banks to examine the scope for Government backing for mentoring and turnaround support for businesses facing difficulties in repaying loans. This will include discussions about whether businesses could be offered support from a turnaround expert free of charge.
- The **Government** will continue to work with the Bank of England and three of the main banks in Northern Ireland - Danske Bank, the Bank of Ireland UK and Allied Irish Bank UK (operating as First Trust Bank in Northern Ireland) – to encourage participation in the Funding for Lending Scheme.
- The **Government** will consider with the **Executive** how the specific constraints on access to finance in Northern Ireland can be addressed.

3. BUILDING GREATER LINKS BETWEEN THE UK GOVERNMENT AND NORTHERN IRELAND EXECUTIVE TO DRIVE PRIVATE SECTOR GROWTH

3.1 The Government and the Executive acknowledge that UK wide schemes to boost growth have not always been as effective in Northern Ireland as they have been elsewhere in the UK. We have set out proposals in a number of areas to improve and expand existing schemes. But we will also introduce new mechanisms to ensure that the UK wide growth measures implemented by the Government have the maximum possible impact in Northern Ireland.

- We recognise that banking and access to finance will require a detailed programme of further work by the Government and Executive, which will need to build on the report recently published by the Executive's independent Economic Advisory Group.
- The **Government** and **Executive** will create a joint Ministerial taskforce to lead work examining whether tailored support is required for Northern Ireland's banks and how we can maximise support for businesses in Northern Ireland.
- The **Government** and **Executive** will examine how we can best engage with the Irish Government to make sure that their support for the Irish banking system takes full account of the operation of Irish banks in Northern Ireland.
- To support this Ministerial level engagement, the Government will ensure that a joint cross-Whitehall official level working group to engage with the Northern Ireland Executive on banking and access to finance.
- More widely, we will discuss the scope for DETI's independent Economic Advisory Group to supplement these mechanisms by monitoring the effectiveness of UK wide economic policies on an ongoing basis.

4. IMPLEMENTATION OF THIS AGREEMENT

4.1 The Government and Executive are committed to a significant joint programme of work to implement this economic pact.

- The Prime Minister, First Minister and deputy First Minister will provide an update on the implementation of this agreement in the context of the G8 Investment Conference this autumn. We will publish this update.
- The Prime Minister, Secretary of State for Northern Ireland, First Minister and deputy First Minister will hold an annual summit on progress in rebalancing the economy and building a shared future for the people of Northern Ireland.
- The **Executive** and **Government** will publish annual updates to the Northern Ireland Assembly and Parliament respectively on progress on these issues.
- The **Government** and Northern Ireland **Executive** will work with the Irish Government, both in the context of ongoing North-South engagement, and the 10 year programme of East-West economic co-operation agreed by the Prime Minister and Taoiseach, to examine how the Irish Government can contribute to supporting economic growth and a shared society with equality of opportunity for all in Northern Ireland.

© Crown copyright 2013

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. Visit www.nationalarchives.gov.uk/doc/open-government-licence, write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

This publication available at www.gov.uk/nio or from enquiries@nio.x.gsi.gov.uk

Any enquiries regarding this publication should be sent to:

Desk GD.033
Northern Ireland Office
1 Horse Guards Road
London
SW1A 2HQ

Telephone (general enquiries) 028 9052 0700

Textphone 028 9052 7668

If you require this publication in an alternative format, email enquiries@nio.x.gsi.gov.uk or call 028 9052 0700.