

## **UK GOVERNMENT FINANCIAL SUPPORT FOR NORTHERN IRELAND**

This section sets out the financial support the UK Government would be prepared to make available to Northern Ireland, following discussions between the Conservative Party and the Democratic Unionist Party.

The UK Government has made available up to £2.5bn of financial support and flexibility for the Northern Ireland Executive over the course of the past three years, by virtue of the Stormont House and Fresh Start Agreements.

The UK Government, however, recognises the unique circumstances of Northern Ireland's history and the effect this has had on its economy and people from all parts of the community, while recognising too the need to be fair to all parts of the United Kingdom. Both parties re-affirm their commitment to the restoration of devolved government in Northern Ireland. Following discussions between them, and in order to support their shared objectives of strengthening the economy, the UK Government is prepared to make available additional financial support to the power-sharing Executive.

### **Economy and Infrastructure**

The UK Government supports further cooperation with the Northern Ireland Executive on **infrastructure development** in Northern Ireland. **The UK Government will allocate £200m per year for two years** and with sufficient flexibility as to the choice of project to ensure the Executive is able to **deliver the York Street Interchange Project and other priorities**. Both the UK Government and the Executive recognise the integral part digital infrastructure in particular plays in opening up new opportunities for growth and connectivity for both businesses and consumers. In Northern Ireland, despite the increase in the availability of superfast broadband and mobile services, challenges remain. The UK Government will therefore contribute **£75 million per year for two years** to help provide ultra-fast broadband for Northern Ireland.

These measures will reflect the joint commitment of the UK Government and Northern Ireland Executive to support growth and infrastructure development in all parts of the UK.

The UK Government is committed to ensuring the needs of Northern Ireland are properly reflected in the future UK Shared Prosperity Fund, which will benefit all parts of the UK.

The UK Government supports greater cooperation with the Northern Ireland Executive to promote economic growth in Northern Ireland, looking at NI measures and UK wide measures to promote growth and prosperity for all, for the public and private sector.

The UK Government will work to utilise its networks of Embassies and High Commissions to promote Northern Ireland as a location for Foreign Direct Investment and ensure that Northern Ireland plays a full role in the UK Government's initiatives to boost exports.

The UK Government is committed to greater numbers of public servant and government jobs moving out of London and the South East and being distributed across the UK.

The UK Government notes that one of the first tasks for the new Executive will be to work towards the devolution of **Corporation Tax rates**, the timetable for its introduction, and how this might best be flexibly managed, with options being developed for Autumn Budget 2017.

The UK Government is committed to working with the Executive and other stakeholders to work towards a comprehensive and ambitious set of **city deals** across Northern Ireland to boost investment and help unlock the full potential of Northern Ireland. We will also work towards a limited number of **Enterprise Zones**, subject to proposals demonstrating good value for money.

A detailed consultative report will be commissioned into the impact of VAT and APD on tourism in Northern Ireland to recommend how best to build upon the growing success of that sector.

In order to **target pockets of severe deprivation** so that all can benefit from growth and prosperity, the UK Government will also provide **£20m per year for five years** to support the Northern Ireland Executive to deliver this measure.

## **Health and Education**

The UK Government recognises that Northern Ireland has unique circumstances within the United Kingdom, not least as a consequence of responding to the challenges of the past.

The UK Government will, therefore, allocate an additional **£50 million per year for two years** to enable the Executive to address immediate pressures in health and education.

The UK Government and Executive both share a commitment to providing health services which meet the needs of everyone, no matter who they are or where they live. Recognising the priority given by the Executive to health spending, its longstanding focus on securing a modern, sustainable health service in Northern Ireland, and in line with the UK Government's priority to increase health spending in this Parliament, the UK Government will allocate **£100m per year for two years** to support the Northern Ireland Executive's delivery of its priority of health service transformation.

The UK Government and Executive agree on the importance of support for mental health, particularly recognising the historical impact of Northern Ireland's past on its communities. The UK Government will provide **£10m per year for five years** to support the Northern Ireland Executive to deliver this measure.

### **Flexibility with previous allocations**

The UK Government will permit any remaining funding from previous allocations for shared education and housing to be dispersed flexibly within this Spending Review period.

### **Legacy**

The UK Government will work with the Executive and all parties to seek the implementation of the legacy bodies in the Stormont House Agreement, to provide better outcomes for victims and survivors. The next phase is a public consultation on implementation of the Stormont House Agreement legacy bodies. These are to be established so as to operate in ways that are fair, balanced and proportionate and which do not unfairly focus on former members of the armed forces or police. Both parties reiterate their admiration for the courage and sacrifice of the police and armed forces in upholding democracy and the rule of law and will never forget the debt of gratitude that we owe them.