

Country/entity	Ireland United Kingdom Northern Ireland
Region	Europe and Eurasia
Agreement name	Stormont House Agreement Financial Annex
Date	23 Dec 2014
Agreement status	Multiparty signed/agreed
Interim arrangement	Yes
Agreement/conflict level	Interstate/intrastate conflict(s)

Northern Ireland Conflict (1968 - 1998)

Commonly referred to as 'the Troubles', the most recent conflict over the territory of Northern Ireland can be framed as beginning in 1968 and ending with the Belfast Agreement (also known as the Good Friday Agreement) in 1998. While the genesis of the conflict was closely related to pressures for the state to reform with relation to discrimination against the (minority) Catholic population, the core issue of the conflict as it proceeded was the constitutional status of Northern Ireland, which was contested between the unionist/loyalist (mostly Protestant) majority, who wanted the territory to remain as part of the United Kingdom, and the nationalist/republican (mostly Catholic) minority, whose goal was to unite the six provincial counties with the Republic of Ireland. The thirty years prior to the Belfast or Good Friday Agreement were marked by inter-communal violence, active paramilitary groups, and the deployment of the British army in the province. Mediation by international actors, and dialogue between the British and Irish governments, and between the IRA and its representatives and the British Government eventually resulted in a ceasefire respected by the majority of combatants. Talks led to the Belfast or Good Friday Agreement which established a power-sharing system of governance between nationalist and unionist communities.

Close

Northern Ireland Conflict (1968 - 1998)

Stage	Implementation/renegotiation
Conflict nature	Government/territory
Peace process	Northern Ireland peace process
Parties	UK Government
Third parties	-

Description This is a financial annex to the Stormont House Agreement in which the UK government makes financial commitments to Northern Ireland, to underwrite and implement that agreement.

Agreement document	UK_IE_141223 Stormont House Agreement Financial Annex.pdf (opens in new tab) Download PDF
---------------------------	---

Groups

Children/youth	Groups→Children/youth→Rhetorical Page 3, Peace and Investment Fund The Government recognises the need for investment in the future of Northern Ireland. That is why as part of the economic pact: - we contributed an additional €50m towards PEACE IV funding. The Executive will be able to use PEACE IV funding in ways consistent with the programme, including to support the United Youth Programme;...
Disabled persons	No specific mention.
Elderly/age	No specific mention.
Migrant workers	No specific mention.
Racial/ethnic/ national group	No specific mention.
Religious groups	No specific mention.
Indigenous people	No specific mention.
Other groups	No specific mention.
Refugees/displaced persons	No specific mention.
Social class	No specific mention.

Gender

Women, girls and gender	No specific mention.
Men and boys	No specific mention.
LGBTI	No specific mention.
Family	No specific mention.

State definition

Nature of state (general) No specific mention.

State configuration No specific mention.

Self determination No specific mention.

Referendum No specific mention.

State symbols No specific mention.

Independence/secession No specific mention.

Accession/unification No specific mention.

Border delimitation No specific mention.

Cross-border provision No specific mention.

Governance

Political institutions (new or reformed) No specific mention.

Elections No specific mention.

Electoral commission No specific mention.

Political parties reform No specific mention.

Civil society No specific mention.

Traditional/religious leaders No specific mention.

Public administration No specific mention.

Constitution No specific mention.

Power sharing

Political power sharing No specific mention.

Territorial power sharing No specific mention.

Economic power sharing No specific mention.

Military power sharing No specific mention.

Human rights and equality

Human rights/RoL general No specific mention.

Bill of rights/similar No specific mention.

Treaty incorporation No specific mention.

Civil and political rights No specific mention.

Socio-economic rights No specific mention.

Rights related issues

Citizenship No specific mention.

Democracy No specific mention.

Detention procedures No specific mention.

Media and communication No specific mention.

Mobility/access No specific mention.

Protection measures No specific mention.

Other No specific mention.

Rights institutions

NHRI No specific mention.

Regional or international human rights institutions No specific mention.

Justice sector reform

Criminal justice and emergency law No specific mention.

State of emergency provisions No specific mention.

Judiciary and courts No specific mention.

Prisons and detention No specific mention.

Traditional Laws No specific mention.

Socio-economic reconstruction

Development or socio-economic reconstruction

Socio-economic reconstruction→Development or socio-economic reconstruction→Socio-economic development

Page 3-4, Peace and Investment Fund

The Government recognises the need for investment in the future of Northern Ireland. That is why as part of the economic pact:

...- the Government provided an extra £100m of RRI borrowing which is being used to build shared schools and shared housing; and - we are currently looking at the potential to gift surplus properties for the provision of shared housing.

The Government's existing contribution to these important aims should be recognised and any further contribution will be expected to deliver further progress. However, the Government recognises the need to progress this type of investment more quickly. It will, therefore, fund a programme of investment projects in shared and integrated education. It will contribute up to £50m of new capital funding per year for the next ten years (starting in 2015-16) subject to individual projects being agreed between the Executive and the Government.

National economic plan [Summary: The agreement in its entirety provides a national economic plan for implementing commitments made in the Stormont House Agreement].

Page 1, Summary

The UK Government has seriously considered the proposals put forward by the party leaders. It has tried to respond as positively as possible but this package reflects the difficult fiscal environment facing all governments and the need to be fair to all parts of the United Kingdom. This package of support has the full endorsement of the Prime Minister. The total value of the Government's package is additional spending power of almost £2 billion. This is made up of up to £650m of new and additional funding; flexibilities that protect £900m of resource spending (normally ring fenced for capital); and additional capital borrowing of up to £350m. These measures could also help to generate year on year savings of around £500m.

Page 1, Summary

The specific measures include:

- up to £150m over 5 years to help fund the bodies to deal with the past;
- flexibility to use £700m of capital borrowing to fund a voluntary exit scheme over a period of 4 years with £200m in 2015-16, £200m in 2016-17, £200m in 2017-18 and £100m in 2018-19;
- a contribution of up to £500m over 10 years of new capital funding to support shared and integrated education subject to individual projects being agreed between the Executive and the Government;
- up to an additional £350m borrowing for infrastructure projects with a profile over four years with £100m in 2015-16, £100m in 2016-17, £100m in 2017-18 and £50m 2018-19;
- allowing the proceeds of specific agreed asset sales to be retained in their entirety and exceptionally consideration of these funds being used for a combination of both capital and resource spending;
- flexibility to repay both the £100m loan from the Treasury and £114m welfare deductions from asset sales and capital budgets; and
- if the implementation of welfare reform is completed during 2015-16 (including the relevant secondary legislation) the £114m deduction will be reduced to reflect the proportion of the year prior to implementation of the measures.

Page 2, Summary

This represents a substantial package of support that ensures that the parties can deliver against all of their priorities. An implementation plan for the delivery of the commitments made must be agreed with the Government and this will include the efficiency measures needed to put Executive finances on a sustainable basis for the future. In the light of the importance placed by the Government on security, the Government expects Executive parties to protect PSNI budgets (and community policing in particular) from significant reductions.

Page 2, Repayment of access to the Reserve

Following agreement of a balanced budget the Government will allow the £100m loan from the Treasury to be repaid from asset sales. This means that the Executive will have a further £100m of resource spending available in 2015-16.

Page 2-3, Restructuring - a voluntary exit scheme

The Government will allow £700m of RRI capital borrowing to be used to help deliver a voluntary exit scheme. Whitehall departments have been expected to deliver equivalent schemes from their current expenditure. This offer protects £700m of resource spending that would be needed to fund the scheme. This would be £200m in 2015-16, £200m in 2016-17, £200m in 2017-18 and £100m in 2018-19. This flexibility is only available to fund a voluntary exit scheme. The Government believes that this remains an effective way to

Natural resources No specific mention.

International funds No specific mention.

Business No specific mention.

Taxation Socio-economic reconstruction→Taxation→Power to tax
Page 4, Corporation Tax
In view of the progress made in the talks, including agreement on measures to secure the long term sustainability of the finances of the Executive, legislation will be introduced as soon as Parliament returns to enable the devolution of corporation tax in April 2017. This legislation will devolve the power for the Assembly to set a rate of corporation tax for trading profits with the responsibility for allowances and credits remaining at Westminster. The block grant will be adjusted to reflect the corporation tax revenues foregone by the UK Government due to both direct and behavioural effects but it will not take into account second round effects on other taxes.

Page 5, Corporation Tax

Progress of the legislation through Parliament this session will proceed in parallel with implementation of key measures to deliver sustainable finances, including:

- a) agreement in January 2015 on a final balanced budget for 2015-16 with a clear commitment to put the Executive's finances on a permanently sustainable footing for the future; and
- b) progress on welfare reform in January with the Welfare Bill passing through Consideration Stage in the Assembly before the end of February.

The legislation to devolve corporation tax will also include a commencement clause. The powers will only be commenced from April 2017, subject to the Executive demonstrating that its finances are on a sustainable footing for the long term including successfully implementing measures in this agreement and subsequent reform measures. An implementation plan for the delivery of the commitments made must also be agreed with the Government and this will include the efficiency measures needed to put Executive finances on a sustainable basis for the future.

Banks No specific mention.

Land, property and environment

Land reform/rights No specific mention.

**Pastoralist/
nomadism rights** No specific mention.

Cultural heritage No specific mention.

Environment No specific mention.

**Water or riparian
rights or access** No specific mention.

Security sector

**Security
Guarantees** No specific mention.

Ceasefire No specific mention.

Police Page 3, Summary
...In the light of the importance placed by the Government on security, the Government expects Executive parties to protect PSNI budgets (and community policing in particular) from significant reductions.

Page 2, Funding for measures to address the past
The Government recognises the unique circumstances that are faced in Northern Ireland due to issues related to the past. The paper from the party leaders estimates the potential costs of the new bodies to be higher than Government estimates. The Government recognises the burden that this work puts on the PSNI and that the costs could be higher and so will provide further funding. Therefore the Government will contribute up to £30m per year for five years to pay for the institutions to help deal with the past.

Armed forces No specific mention.

DDR No specific mention.

**Intelligence
services** No specific mention.

**Parastatal/rebel
and opposition
group forces** No specific mention.

Withdrawal of foreign forces No specific mention.

Corruption No specific mention.

Crime/organised crime No specific mention.

Drugs No specific mention.

Terrorism No specific mention.

Transitional justice

Transitional justice Page 1, Summary

general

The specific measures include:

- up to £150m over 5 years to help fund the bodies to deal with the past;...

Page 2, Funding for measures to address the past

The Government recognises the unique circumstances that are faced in Northern Ireland due to issues related to the past. The paper from the party leaders estimates the potential costs of the new bodies to be higher than Government estimates. The Government recognises the burden that this work puts on the PSNI and that the costs could be higher and so will provide further funding. Therefore the Government will contribute up to £30m per year for five years to pay for the institutions to help deal with the past.

Amnesty/pardon No specific mention.

Courts No specific mention.

Mechanism No specific mention.

Prisoner release No specific mention.

Vetting No specific mention.

Victims No specific mention.

Missing persons No specific mention.

Reparations No specific mention.

Reconciliation No specific mention.

Implementation

UN signatory No specific mention.

Other international signatory No specific mention.

Referendum for agreement No specific mention.

International mission/force/similar

No specific mention.

Enforcement mechanism

No specific mention.

Related cases

No specific mention.

Source

UK Government
<https://www.gov.uk/government/publications/the-stormont-house-agreement>
