

A FRESH START & STORMONT HOUSE AGREEMENTS:

SIX MONTHLY UPDATE

14 JANUARY 2016

A FRESH START & STORMONT HOUSE AGREEMENTS: SIX-MONTHLY UPDATE

This paper highlights some of the progress made to implement the Fresh Start and Stormont House Agreements and takes a forward look at commitments over the next six months. A six-monthly progress report is annexed, in line with the reporting arrangements established under the Stormont House Agreement.

Key Achievements

1. The **2016-17 Budget** was agreed by the Executive on 17 December 2015. Subject to the final agreement of the NI budget proposals the UK Government will agree to the **release of support and flexibility measures** outlined in the Agreements.
2. Following Assembly approval the **Welfare Reform Bill received Royal Assent** on 25 November 2015.
3. Nearly £200million was released to enable the 2015-16 public sector **Voluntary Exit Scheme** to proceed. The scheme has been implemented generating annual savings of approximately £160million.
4. **A Bill to change the number of Departments from 12 to 9** was introduced to the Assembly and has completed its second reading. The Bill fulfils a commitment to reduce the number of departments in time for the next Assembly election in May 2016. A Bill to reduce the number of MLAs was also introduced on 12 January.
5. In December 2015 new measures were agreed to enhance law enforcement co-operation aimed at **tackling organised crime and criminality** including that linked to paramilitarism. Essential to this, a **Joint Agency Task Force**, complete with membership, priorities and goals, was established.
6. **A three person panel was appointed** by the Executive with the task of **reporting with recommendations for a strategy to disband paramilitary groups** by the end of May 2016. The panel held its first meeting before Christmas.
7. The Irish Government's contribution of **€2.5 million to the North West Development Fund** has been disbursed.

Looking forward

8. It is planned to have the **Commission on Flags, Identity, Culture and Tradition** in place by March 2016.
9. The UK and Irish Governments will continue to work with the parties, the Executive and victims' groups on how the **outstanding issues relating to the past** are resolved.
10. The **3-person panel** is expected to report before the end of May 2016.
11. The Executive is committed to publishing an **action plan** before the end of June including a range of measures to tackle paramilitarism, criminality and organised crime together with timescales for implementation.
12. Reports on progress on the infrastructure projects being taken forward by the Irish Government and the Executive in the context of the **Irish Government's financial support** commitments will be provided to the North South Ministerial Council in June 2016.

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Commitment		Progress Report/Milestones Achieved
A	ENDING PARAMILITARISM AND TACKLING ORGANISED CRIME	
Statement of Principles		
A2.6.	These commitments [para 2.5] shall also be added to the Pledge of Office as a requirement of a person taking Ministerial office through an amendment of the Northern Ireland Act 1998.	A draft clause has been developed for insertion into appropriate UK legislation.
A2.7	They will also form the basis of a new undertaking, in Assembly standing orders, for each Member of the Legislative Assembly analogous to the previous obligations on those in local government.	Work is ongoing to prepare for the creation of a new undertaking for MLAs, including the appropriate mechanisms for providing this.
Tackling Paramilitarism, Criminality and Organised Crime		
A3.1, A3.2, A3.3	<p>A tri-lateral cross-border Ministerial meeting will take place in December 2015, involving the UK Government, the Irish Government and the NI Executive. It will agree new measures to enhance law enforcement co-operation aimed at tackling organised crime and criminality, including that linked to paramilitarism.</p> <p>In a concerted and enhanced effort to tackle cross-jurisdictional organised crime and to bring to justice those involved in it, a Joint Agency Task Force will be established under this Agreement. The Task Force will be led by senior officers from the PSNI, An Garda Síochána, the Revenue Commissioners and HM Revenue and Customs. The Task Force will report on its work in accordance with the statutory arrangements in place for the law enforcement agencies.</p> <p>The Task Force will include:</p> <ul style="list-style-type: none"> • a <u>Strategic Oversight Group</u> (comprised of representatives from the relevant law enforcement agencies at senior management level) that will identify strategic priorities for combating cross-jurisdictional organised crime. The Oversight Group will provide a report on the work of the Task Force to the six-monthly Ministerial meetings under the Intergovernmental Agreement on cooperation on criminal justice matters; and • an <u>Operations Co-ordination Group</u> (comprised of senior operational management personnel from the relevant law enforcement agencies) that will co-ordinate joint operations and direct relevant resources in that context. <p>The tri-lateral Ministerial meeting in December will set out further details, including membership, priorities and agreed goals of the Task Force.</p>	<p>COMPLETED: The Secretary of State, Irish Minister for Foreign Affairs, Irish Minister for Justice and Equality, First Minister, deputy First Minister and Justice Minister attended the tri-lateral cross-jurisdictional meeting on 21 December at which details of the Joint Agency Task Force was announced.</p>

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A3.6 & A3.7	<p>The Executive will implement additional measures aimed at tackling the impact of criminality and paramilitarism in Northern Ireland, to include:</p> <p>Criminal Justice</p> <ul style="list-style-type: none"> • Further measures to speed up criminal justice and support victims to give evidence. • Measures to improve forensic capabilities to enable evidence to be secured more effectively. 	<p>Additional criminal justice measures are being drawn up and are on track for implementation to begin by autumn 2016. A Business Case is to be prepared on measures to improve forensic capability.</p>
A3.8	<p>Proceeds of Crime</p> <ul style="list-style-type: none"> • Support for agencies to enhance specialist capabilities, such as forensic accounting. 	<p>This is on track to have the appropriate support in place by the end of 2016.</p>
A3.9	<p>Community Engagement and Prevention</p> <ul style="list-style-type: none"> • Cross-departmental programme to prevent vulnerable young people being drawn into paramilitary activity. • Development of a programme to increase the participation and influence of women in community development. • Additional programmes aimed at reducing re-offending. • Rigorous enforcement of rules that prevent funding from being misused. 	<p>Work is expected to commence in January to develop proposals for Executive consideration on the approach to a cross-departmental programme. A review of arrangements for supporting the voluntary and community sector is currently underway including arrangements for supporting the increased participation and influence of women in community development. Formal consultation is planned for early 2016. The scale and reach of any programme will be impacted by the availability of resources.</p> <p>Preparatory work on programmes aimed at reducing re-offending is underway.</p> <p>A review of the role and operation of the Public Sector Group is nearing completion. The rigorous enforcement of rules that prevent funding being misused is to be included as a standing item for future meetings of the Public Sector Group.</p>
A3.10	<p>Support for Transition</p> <ul style="list-style-type: none"> • Initiatives to help moves away from paramilitary structures and activity. • The reintegration of people previously involved in the Troubles taking into account the report of the Review Panel on employers' guidance on recruiting. 	<p>Initiatives to help moves away from paramilitarism will be dependent on the recommendations of the 3 person panel.</p> <p>The Review Panel is in the process of completing its second report.</p>
A Strategy Tackling Paramilitarism, Criminality and Organised Crime		
A4.1	<p>A three person panel will be appointed by the Executive by the end of December with the task of bringing back to the Executive for agreement and action a report before the end of May 2016 with recommendations for a strategy to disband paramilitary groups.</p>	<p>The three person panel comprising Lord Alderdice, Mr John McBurney and Professor Monica McWilliams was appointed by the Executive at its meeting on 17 December 2015 and met for the first time before Christmas.</p>

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A4.2	<p>The Executive shall:</p> <ul style="list-style-type: none"> • carry out research into the social costs and implications of paramilitarism and further steps that the Executive can take to promote a more integrated cohesive and lawful society; • undertake a public awareness campaign to raise public understanding of the harm done by paramilitarism and organised crime and the steps that everyone can take to contribute to the prevention of crime and progress towards the end of paramilitarism in Northern Ireland; and • report on how efforts to tackle paramilitarism will be linked to wider cross-departmental and statutory agency work programmes aimed at reducing community division and the causes of sectarianism and racism in NI. 	<p>Preliminary scoping work is underway on the research, public awareness campaign and linkages to wider work programmes aimed at reducing community division and causes of sectarianism and racism.</p>
A4.3	<p>Before the end of June 2016, the Executive will publish an action plan including all of the above measures, together with timescales for implementation.</p>	<p>An action plan is expected by end of June 2016.</p>
A5.1	<p>A four member international body including persons of international standing will be established by the UK and Irish Governments. The UK Government and the Irish Government will nominate one member each and the Executive shall nominate two members. The body will:</p> <ul style="list-style-type: none"> • report annually on progress towards ending continuing paramilitary activity connected with NI (or on such further occasions as required); • report on the implementation of the relevant measures of the three administrations; and • consult the UK Government and relevant law enforcement agencies, the Irish Government and relevant law enforcement agencies and, in Northern Ireland, the Executive, PSNI, statutory agencies, local councils, communities and civic society organisations. 	<p>The UK Government and the Irish Governments are working together on the preparation of the International Treaty required to provide for this new body.</p> <p>The UK Government is preparing clauses for insertion into appropriate legislation.</p>
A5.2	<p>The reports of the body will inform future Executive Programme for Government priorities and commitments through to 2021.</p>	<p>For future consideration once the body has been established.</p>
B	NI EXECUTIVE FINANCIAL REFORMS AND CONTEXT	
	Reform And Efficiency	
B1.2	<p>Public Sector Reform and Restructuring Transformation Fund</p>	<p>£200m has been released to enable 2015-16 public sector VES to progress. Tranche 4 offers have been made and acceptances finalised. A small fifth tranche of offers will issue in February to help address rejection rates from earlier tranches and anticipated 2016-17 budget pressures. In terms of the overall public sector, there were two tranches of funding in 2015-16. Overall it is forecast 4,467 employees will exit at a cost of £ 184m but generating annual savings of approximately £160m.</p> <p>The approach to public sector pay restraint is currently under consideration.</p>
B1.3	<p>Departmental Restructuring</p>	<p>This major programme is well advanced. The legislation is on track. Shared service plans are in place</p>

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		covering HR Connect, Account NI, IT Assist, accommodation etc. Senior management structures for the nine new Departments have been agreed and senior staff provisionally assigned to posts. Budgets for the nine Departments have been agreed.
B1.4	Reform of property management	Detailed programme has been developed complete with milestones and savings to be achieved. Benefits Realisation plan is to be drafted by end of February 2016.
B1.5	Asset Management Strategy	£25m additional capital generated for 2015-16 contributing to a run rate of c£160m since 2011-12. £22m per annum resource savings achieved between 2011-12 and 2013-14. £50m invested in 2013-14 and 2014-15 in property acquisitions have delivered £5m per annum savings. Proposals for a comprehensive invest to save programme included in 2016-17 budget. Review of operational PFI projects underway to explore savings opportunities. Asset and financial input to Social Housing Reform Programme Outline Business Case complete.
B1.6	Digital Transformation Programme	This is on track to deliver the 16 x 16 programme by the end of 2016 and achieve in excess of 3.5 million online transactions by end March 2016.
B1.7	OECD Review	The Report is being considered by the Finance Minister.
B1.8	Impact of division	Consideration is being given to the Report from NI Centre for Economic Policy.
B1.9 & B1.10	Cross-cutting reform in 6 thematic areas. Benchmarking, alternative models of delivery and structural reform in the big spending areas of education, health, and justice are inherent in these themes. It is anticipated that the Executive will shortly endorse the implementation of action plans associated with these proposals.	The Executive has endorsed the cross-cutting reform programme. Feasibility studies are being developed and these will be followed by action plans, where evidence to proceed and funding is in place. The relevant departments in terms of education, housing and justice are continuing to look at beneficial structural reforms.
B1.11	The Executive is also committed to progressing significant structural reform of social housing provision. This will be focused on reducing the Departmental Expenditure Limit subsidy pressures.	Outline Business Case is being finalised and a brief for a review of non-landlord housing functions is being drawn up with view to work starting in January 2016.
B1.12	Cost Reduction Targets: The Executive will have to set challenging cost reduction targets for each of the nine new departments for each year of the forthcoming Spending Review period.	2016-17 Budget agreed by the Executive on 17 December 2015 and cost reduction targets for 2016/17 were set as part of this process.
B1.14	...the Executive will consider revenue raising measures if cost reductions cannot be achieved quickly enough or if there is a decision to maintain enhanced public services.	2016-17 Budget agreed by the Executive on 17 December 2015.
Executive's position on Corporation Tax		
B1.18	In accordance with the requirements of the Stormont House Agreement, the Executive reaffirms its commitment to take all the actions necessary to demonstrate that its finances are on a sustainable footing for the long term including successfully implementing measures in the Stormont House Agreement, this agreement and subsequent reform measures.	2016-17 Budget agreed by the Executive on 17 December 2015. Programme of Public Sector Reform is in place to support these budgetary measures.

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B1.19	The NI Executive commits to a commencement date of April 2018, and a Northern Ireland rate of 12.5%.	Executive has committed to commencement date of April 2018 and a rate of 12.5%. Preparatory work continues including agreement to a Memorandum of Understanding by DFP and HMRC (December 2015) to take forward necessary administrative arrangements and development of operational systems. Development of a Block Grant adjustment mechanism; putting measures in place to maximise the benefits of a lower Corporation Tax rate; and engagement with the European Commission on the design of the regime are ongoing.
C	NI EXECUTIVE WELFARE AND TAX CREDIT TOP-UPS	
C1.1	The Executive has agreed to allocate a total of £585 million from Executive funds over four years to 'top-up' the UK welfare arrangements in NI with a review in 2018-19. This sum incorporates the present discretionary fund.	Executive agreed welfare reform position in Budget 2016-17 settlement.
C1.2	The Executive will establish a small working group under the leadership of Professor Eileen Evason to bring forward proposals within this financial envelope (including administrative costs) to maximise the use of these additional resources.	The Working Group has been established and terms of reference agreed. It is currently considering proposals.
C1.3	The Executive has agreed to implement the findings of the working group within the financial envelope available.	Awaiting proposals from Working Group.
	Legislative Process	
C2.1	It is agreed that Legislative Counsel in the NI Assembly will work with Parliamentary Counsel at Westminster to prepare the necessary legislation and Order in Council to effect current welfare changes.	COMPLETED
C2.2	The Welfare Bill will be debated and approved by the Assembly by way of a Legislative Consent Motion no later than the week commencing 23 November 2015. This approval will also cover the draft Order in Council which gives effect in NI to the 2012 welfare changes in GB, the welfare clauses of the Welfare Reform and Work Bill as initially introduced at Westminster and the Executive's proposals to enhance payments flowing from this Agreement.	COMPLETED: Legislative Consent Motion was debated and approved by the Assembly on 18 November 2015.
C2.3	Following Assembly approval, the Bill will be passed at Westminster in order to meet the Executive's timetable.	COMPLETED: The Bill received Royal Assent on 25 November 2015.
C2.4	Any subsequent changes to the welfare elements of the Welfare Reform and Work Bill will be brought to the Assembly for debate and approval.	The Bill is expected to complete Westminster process in March 2016.
C2.5	The welfare and tax credit top-ups will be taken forward by the Assembly	Awaiting proposals from Working Group.
	Advice Centre Support	
C3.1	The Executive, in preparing its budget for next year, will provide additional funding for independent advice services in recognition of the complexity of welfare and tax credit changes.	This is being addressed as part of the 2016-17 Budget process.

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D UK GOVERNMENT FINANCIAL SUPPORT	
Welfare Reform	
D1.1	<p>In the SHA the UK Government agreed to provide support. This included:</p> <ul style="list-style-type: none"> • 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 UK 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 in 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; • 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; and • up to £150m over 5 years to help fund the bodies to deal with the past. <p>This support remains subject to the conditions set out in the financial annex to the SHA, and funding for bodies to deal with the past is subject to agreement on their establishment.</p>
	<p>The UK Government has provided support to the Northern Ireland Executive in 2015/16, including:</p> <ul style="list-style-type: none"> • Access to £200m of capital borrowing to support the voluntary exit scheme; • A commitment to refund the proportion of the £114m welfare deductions due after 18 November 2015, across the next two financial years; • Permitting a capital to resource switch to facilitate repayment of the loan and welfare deductions from capital budgets; • Access to additional capital borrowing to support infrastructure projects. <p>The UK Government's support remains subject to the conditions set out in the financial annex to the Stormont House Agreement, and funding for bodies to deal with the past is subject to agreement on their establishment.</p>
D3.2	<p>The Assembly will approve a consent motion no later than next week to enable primary and secondary legislation to make changes to the welfare system to proceed at Westminster.</p>
	<p>COMPLETED: Legislative Consent Motion was debated and approved by the Assembly on 18 November 2015.</p>
D3.3	<p>...the UK Government will progress legislation which will comprise a Bill in Parliament to allow for changes to the welfare regime in Northern Ireland. A sunset clause will be included in the Bill to bring this arrangement to an end at the end of 2016.</p>
	<p>COMPLETED: Bill received Royal Assent on 25 November 2015.</p>

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D3.5	<p>...the UK Government confirms:</p> <ul style="list-style-type: none"> • welfare deductions for 2015-16 will stop following Assembly approval of the consent motion set out above and the UK Government will refund the proportion of deduction due for the remainder of the year, making an equivalent sum available to the NI Executive spread equally over 2016-17 and 2017-18; • it will not make any welfare-related Annually Managed Expenditure deductions on the basis of savings anticipated by the 2012 Welfare Reform Act in 2016-17; • it will support the proposal put forward to address welfare error and fraud in Northern Ireland, and will provide up to £25m of new ring-fenced funding per year for five years to support implementation; and • any successful bid for a share of error and fraud savings will need to demonstrate forecast savings that can be verified by the Office for Budget Responsibility, in line with the process for assuring similar forecasts by the Department for Work and Pensions. 	<p>The Legislative Consent Motion was debated and approved by the Assembly on 18 November 2015. The UK Government has stopped welfare deductions for 2015-16 and will refund the proportion of the £114m welfare deductions due after 18 November 2015, across the next two financial years.</p> <p>The UK Government has made available up to £25m of new ring-fenced funding to support proposals put forward to address welfare fraud and error in Northern Ireland. The UK Government will work with the Executive to support proposals.</p>
D3.6	<p>...the UK Government has agreed that half of all savings certified by the OBR can be reinvested by the Executive (for example for integrated health, work and wellbeing interventions; employer support to hiring young unemployed and long-term unemployed).</p>	<p>The UK Government will work with the Executive to develop proposals and remains committed to providing half of all savings certified by the OBR.</p> <p>The Department of Finance and Personnel and Department for Social Development are to engage with the UK Government on the approach to the Office of Budget Responsibility.</p>
Budget Controls		
D4.1	<p>The UK Government welcomes the Executive's plans to establish an Independent Fiscal Council for Northern Ireland. The Council will:</p> <ul style="list-style-type: none"> • prepare an annual assessment of the Executive's revenue streams and spending proposals and how these allow the Executive to balance their budget; and • prepare a further annual report on the sustainability of the Executive's public finances, including the implications of spending policy and the effectiveness of long-term efficiency measures. <p>The membership and terms of reference of this Council will be agreed with the UK Government.</p>	<p>A paper on proposals for establishing the Council is being prepared for the UK Government and Executive's consideration.</p>
D4.2	<p>The UK Government will legislate, with Assembly consent, to ensure that the Assembly cannot consider spending plans which exceed the Block Grant allocated by the Treasury or the NIE's borrowing limits, where planned spending relies on those funding sources.</p>	<p>Provisions to be inserted in appropriate UK legislation and in place in time for the 2017-18 Budget.</p>

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In-Year Pressures		
D5.1	The UK Government will release those additional in-year budgetary flexibilities as set out in the SHA to support the Executive in ensuring public services continue to be delivered whilst wider reforms are being pursued.	COMPLETED: This was actioned as part of November Monitoring.
D5.2	The Northern Ireland Executive will complete a monitoring round by the end of November 2015, setting out clearly the action being taken to balance its 2015-16 position.	COMPLETED: Executive agreement was received on 17 November followed by an Assembly statement on 18 November 2015.
Corporation Tax		
D6.2	The UK Government will undertake an ex-post review of the costs of the devolution of Corporation Tax four years after the implementation of a devolved rate by the Executive. This review will consider the extent of behavioural costs (but not second round effects) and will make further adjustments to the Northern Ireland Block Grant as supported by new evidence	Review to commence four years after implementation.
SHA Flexibilities and Support		
D7.1	<p>Subject to:</p> <ul style="list-style-type: none"> • the conditions set out in the SHA financial annex on the need for UK Government agreement where specified for specific projects; and • confirmation by the Executive as part of this supplementary agreement that the flexibility and support offered is sufficient to deliver a balanced budget for 2015-16 by the end of November 2015 and the publication of a balanced budget for 2016-17 in the Assembly by the end of January 2016; <p>the UK Government will agree to the release of the support and flexibility outlined in the SHA financial annex as it relates to the 2015-16 and 2016-17 budgets. The detailed plan for incorporating this support into budgets should be agreed with HM Treasury in advance of the publication of the 2016-17 NI Executive budget.</p>	An initial meeting has taken place between the Department of Finance and Personnel and UK Government officials.
D7.2	<p>The UK Government will provide a number of further flexibilities:</p> <ul style="list-style-type: none"> • ensuring that the NI Executive can access the full amount of additional borrowing provided by the SHA even if it is able to realise agreed efficiency savings from Voluntary Exit Scheme without switching the full amount of existing borrowing for that purpose; • capital funding for shared and integrated education can be used to support shared housing projects, with individual projects to be agreed by the UK Government (expansion of commitment at SHA A7); and • any underspend of new legacy funding in 2015-16 may be carried forward to 2020-21 (but funding for bodies to deal with the past is subject to agreement on their establishment). 	Discussions have taken place between the Department of Finance and Personnel and UK Government officials.

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Tackling Continued Paramilitary Activity		
D8.1	The UK Government confirms that it will provide additional security funding of £160m over the next five years to support the PSNI to address the continuing 'SEVERE' National Security threat, as well as provide greater capability to tackle continued paramilitary activity and criminality.	The first year element has been addressed in the 2016-17 Budget. Subsequent years will be considered in the new Executive's 2017 Budget process.
D8.2	The UK Government will provide an additional £25m over five years to tackle continuing paramilitary activity. The UK Government funding will only be released after the Executive has agreed a strategy to address continuing paramilitary activity.	The 2016-17 Budget confirms that funding will be held centrally until a strategy is agreed.
D8.3	The NI Executive will match the UK Government's additional funding to tackle continuing paramilitary activity.	This has been addressed as part of the 2016-17 Budget process.
D8.4	The UK Government will ensure in the Spending Review that UK Government agencies are appropriately resourced to ensure that the concerted UK - PSNI policing and criminal justice response to paramilitarism and criminal activity is delivered.	COMPLETED: The Spending Review protected police spending in real terms. The Strategic Defence and Security Review included a commitment from the UK Government to maintain its investment in capabilities to keep the people of Northern Ireland safe.
D8.5	The UK Government recognises the need to ensure progress against any strategy to tackle paramilitary activity is delivered effectively. It will provide funding of up to £3m over four years to establish and fund the new Monitoring and Implementation body.	The UK Government will make this funding available as detailed.
Shared Future		
D9.1	The UK Government will provide an additional £60m over five years in support of the Executive's delivery of confidence and relationship building measures within and between communities, contributing to the conditions that will allow the removal of peace walls and the creation of a shared future.	The UK Government will make this funding available as detailed.
E IRISH GOVERNMENT FINANCIAL SUPPORT		
E1.3	The Irish Government reaffirms its support for the EU PEACE and INTERREG programmes, which includes substantial funding negotiated during the Irish Presidency of the European Union. It will continue to work closely with the Northern Ireland Executive to ensure that funding opportunities are maximised under these EU programmes. Almost half a billion euro will be available from EU sources during the period 2016 to 2021.	An initial discussion of a core group of officials North and South took place on 9 December. A first meeting of Executive/Irish Government officials took place on 13 January 2016. A report will be provided to the June 2016 NSMC.
E1.5	The Irish Government will also continue to explore capital investment in health projects and services that benefit the border region.	
A5 Western Transport Corridor Serving the North West		
E2.2	...the Irish Government reaffirms its existing commitment to providing funding of £50 million for this project. It will also commit an additional £25m to ensure that Phase 1 of the project can commence as soon as the necessary planning issues have been	An initial meeting between officials with responsibility for roads in Northern Ireland and Ireland has taken place. Previous agreements on how funding will be made available remain valid. A critical path schematic is being developed to show key milestones and

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	resolved by the Northern Ireland authorities. In accordance with the revised project timeline, the Irish Government funding will be provided in three tranches of £25m in the years 2017, 2018 and 2019 respectively.	timelines to achieve the target commencement date.
E2.3	... the Executive and the Irish Government have agreed that construction on the first section of the A5 will commence in 2017 with a view to completion by 2019. The first section will be the route between New Buildings (outside Derry-Londonderry) to north of Strabane.	
The Ulster Canal		
E3.3	The Executive and the Irish Government agree to undertake a review with a view to identifying options for jointly developing future phases of the Ulster Canal restoration project, for consideration by the North South Ministerial Council in June 2016.	An initial discussion of a core group of officials North and South took place on 9 December. A first meeting of Executive/Irish Government officials took place on 13 January 2016. A report will be provided to the June 2016 NSMC.
E3.4	As part of the Mid Term Review of the Capital Plan, the Irish Government will work also with the Northern Ireland Executive to seek agreement on a funding plan for the Atlantic Youth Trust initiative. This proposal involves a new sail training vessel to facilitate youth development, mentoring, and training on an all-island basis.	
Narrow Water Bridge		
E4.2	The Northern Ireland Executive and the Irish Government agree to undertake a review of the project with a view to identifying options for its future development, for consideration by the North South Ministerial Council in June 2016.	An initial discussion of a core group of officials North and South took place on 9 December. A first meeting of Executive/Irish Government officials took place on 13 January 2016. A report will be provided to the June 2016 NSMC.
North West Development Fund		
E5.2	The Irish Government has agreed to provide funding of €2.5m to support the [NW Gateway] Initiative, which will be complemented by matching funding from the Northern Ireland Executive.	Contact between Irish Government and Executive officials is underway on modalities for the provision of funding.
Next Steps		
E6.1	A group of senior officials from the Northern Ireland Executive and the Irish Government will meet regularly to maintain a strategic overview of economic and infrastructural investment, with regard to the projects set out in this Section. They will also consider opportunities for sourcing further investment for all-island infrastructure projects for mutual benefit, including through PPPs, EU funding and other non-Exchequer sources.	An initial discussion of a core group of officials North and South took place on 9 December. A first meeting of Executive/Irish Government officials took place on 13 January 2016. A report will be provided to the June 2016 NSMC.
E6.2	Regular progress reports will be provided to the North South Ministerial Council.	The first report is due in June 2016
F IMPLEMENTATION OF OTHER ASPECTS OF THE SHA		
Flags, Identity, Culture and Tradition		
F15	The advertisement and information pack to enable the recruitment of the eight non-political members of the Commission will be placed by OFMDFM in December 2015. Political nominations from the five largest parties will be invited during December. It is planned to have the Commission established by March 2016.	Advertisements for the non-political members were placed on 17 December 2015. The closing date for applications is 15 January 2016. The First Minister and deputy First Minister have invited political nominations from the Alliance party, SDLP and UUP.

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Parades		
F16 Page 33	A discussion paper is currently being prepared for the Executive. The paper will outline options in relation to the model and operation of the regulation of parades and related protests and the key outstanding issues of contention such as code of conduct, criteria and accountability. OFMDFM will bring this paper to the Executive.	A draft Executive paper is being prepared for submission to and consideration by the First Minister and deputy First Minister.
The Past		
F21- 55	There remains a need to resolve the outstanding issues and the UK Government and Irish Government will reflect on the options for a process to enable this.	A meeting between the Minister for Foreign Affairs and Trade and Secretary of State for Northern Ireland took place on 21 December to review possible options. Engagement is underway with victims groups and others, to discuss possible ways forward.
Institutional Reform		
F56	A Bill to reduce the number of MLAs to five members per constituency will be introduced to the Assembly no later than the end of November 2015.	The Bill was introduced on 12 January 2016. Assembly agreement to accelerated passage to be sought on 25 January.
F57- 58	A Protocol governing the use of the Petition of Concern mechanism in the Assembly will be referred to the Speaker within a month [17 December] of the date of this Agreement.	On 10 December the First Minister and deputy First Minister wrote to party leaders involved in the talks process inviting them to become co-signatories of the Protocol on the Use of the Petition of Concern. UUP and SDLP have declined; a response is awaited from Alliance.
F59	A Statement of Proposed Entitlements for an Official Opposition will be introduced as part of the arrangements to enable those parties entitled to Executive ministerial positions but choose not to do so, to be recognised as an official opposition. The Speaker will be asked to arrange for the amendments to Standing Orders and relative administrative procedures.	COMPLETED: Following consultation with the Speaker, the First Minister and deputy First Minister agreed to table a motion in the Assembly to remit the Speaker to implement the provisions of the Statement of Proposed Entitlements.
F60	... The Executive has [since] agreed the draft Departments Bill which will be introduced to the Assembly no later than the end of November 2015. There have been some amendments to the transfer of functions from OFMDFM and between departments. These will be reflected in the supporting Transfer of Functions Order which is currently being drafted.	The Bill was introduced to the Assembly on 30 November with Second Stage debate on 8 December. The Transfer of Functions Order has been drafted and circulated to the Executive in anticipation of a decision under Urgent Procedure.
F61	A Programme for Government framework adopting a more outcomes-based approach will be developed. Initial workshops will take place during the autumn with a view to having the framework prepared by the end of April 2016. The necessary changes to Westminster legislation will be brought forward as soon as there is a suitable legislative vehicle.	Initial workshops were held in December 2015 facilitated by Sir John Elvidge. A further workshop is planned for early February 2016. A draft clause has been developed for insertion into appropriate UK legislation.
F64	Assembly officials are also considering mechanisms to ensure that the Independent Financial Review Panel has all the necessary information to enhance the robustness and transparency of decision-making [relating to the system of Members' salaries and expenses]	The Independent Financial Review Panel is being provided with the necessary information. The Assembly Commission is also considering reforms to the legislation governing the work of the Panel to enhance the system for determining Members' pay, pensions and expenses.

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F65	Following the May 2016 Assembly elections the maximum consultation requirement on policy will be eight weeks.	Revision of consultation guidance is underway. On track for delivery.
F66	...further areas of devolution and changes to intergovernmental machinery...The UK Government will consider any such proposals put forward by the Executive.	For future consideration.
Outstanding Commitments		
F67	Compact Civic Advisory Panel - A panel of six people will be established by the Executive. It will be tasked by the Executive to consider specific strategic issues relevant to the Programme for Government and report to the Executive. It may also propose subjects that it wishes to consider and seek Executive agreement to do so. The Panel will seek the views of a wide range of representatives and stakeholders from civic society. Panel members, including the Chair will be identified and appointed by OFMDFM.	Consideration is currently being given to identifying and appointing the panel members.
F71	At the NSMC Institutional meeting on 25 February 2015 it was agreed that a meeting would take place to consider strategic approaches for the development of the North West region. The meeting date is to be confirmed.	Derry and Strabane District Council and Donegal County Council have jointly submitted their prospectus ' <i>North West of the Island of Ireland – A Proposed Strategic Model for Regional Development and Growth – A Regional Prospectus</i> ' for Executive consideration and Ministerial endorsement. The date for a rescheduled Ministerial meeting has yet to be confirmed.
F72	The Executive will ensure full implementation of the T:BUC strategy, and beyond that will commit to a continuing effort to eradicate sectarianism in all its forms.	Existing delivery mechanisms are in place and work continues under the auspices of the Ministerial Panel and Programme Board. In 2016-17 £12m has been allocated for Shared Future initiatives.
STORMONT HOUSE AGREEMENT RESIDUAL COMMITMENTS		
SHA 14	Additional Fiscal Devolution The Executive is examining a range of taxes...to consider whether devolution could result in any clear economic or social benefit for NI. In the light of this work the Government will consider additional fiscal devolution for NI, including Aggregates Levy, Stamp Duty Land Tax and Landfill Tax.	Finance Minister is considering areas other than Corporation Tax, which has been the key focus to date, that might be suitable for devolution. UK Government to consider further fiscal devolution in light of any proposals made by the Executive.
SHA 16 & 17	Powers to take responsibility for parades and related protests should, in principle, be devolved to the NI Assembly. There will be a full public consultation on any agreed legislation.	For future consideration pending Executive paper on options relating to the model and operation of the regulation of parades and related protests and key outstanding issues of contention such as code of conduct, criteria and accountability.
SHA UK Financial Package	In light of the importance placed by the Government on security, the Government expects Executive parties to protect PSNI budgets from significant reductions.	COMPLETED: 2015-16 Final Budget confirmed additional funding for PSNI. Executive has agreed a degree of protection to the PSNI budget as part of the 2016-17 Budget.
SHA UK Financial Package	Following agreement of a balanced budget the Government will allow the £100m HMT loan to be repaid from asset sales.	COMPLETED: as part of November Monitoring

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SHA UK Financial Package	From the existing RRI allocation, further capital borrowing will be made available.... Up to an additional £350m to support important capital investment in projects to support economic growth. [£100m in 2015-16]; £100m in 2016-17; £100m in 2017-18; and £50m in 2018-19.	Economic projects have been incorporated into 2016-17 Budget.
SHA Irish Govt	The Irish Government is fully committed to North South Cooperation...will continue to commit to substantial resources [estimated at €450m in the period 2015 to 202] to support agreed work programmes.	This is ongoing and on target.
SHA Irish Govt	The Irish Government will continue to support measures to promote reconciliation, including through continued annual provision of €2.7m in the Reconciliation Fund.	COMPLETED: Irish Government Reconciliation Fund grants totalling €2.7 million disbursed in two tranches during 2015.
REVIEW AND MONITORING		
SHA 74 & 75	<p>....progress in implementing the provisions of this Agreement must be actively reviewed and monitored. Review meetings will include Executive party leaders as well as the UK Government and Irish Government... supported by the NICS and, as appropriate, officials of the UK and Irish Governments. There will be quarterly meetings, convened by the UK Government and Irish Government, with the first meeting before the end of January 2015 at which an implementation timetable will be agreed.</p> <p>Six-monthly updates on progress on the implementation of the Agreement will be published.</p>	<p>Quarterly meetings on the Stormont House Agreement took place on 30 January, 27 March, and 25 June. An extraordinary meeting was held on 2 June. The first six-monthly update published on 25 June.</p> <p>A Fresh Start, The Stormont Agreement and Implementation Plan was published on 17 November 2015.</p> <p>The Quarterly Review meetings will continue to be held to support the implementation of the Fresh Start and Stormont House Agreements. The first meeting to review the implementation of these Agreements was held on 14 January 2016.</p>