



BRIEFING PAPER

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Northern Ireland: Stormont House Agreement update

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Summary

The Stormont House Agreement of December 2014 included a range of potential changes for Northern Ireland. Devolution of corporation tax, flexibility in welfare reform implementation, the creation of an opposition in the Assembly and establishment of a number of bodies to consider elements of the legacy of the past, were contained in the Agreement. It was accompanied by a package of almost £2 billion in support from the UK Government. UK legislation is scheduled in autumn 2015 to implement some aspects of the Agreement.

This Note sets out the main provisions of the Agreement and looks at progress with implementation. The way forward for welfare changes in Northern Ireland, which was a main driver for the talks leading to the Agreement, continues to be unresolved.

The potential consequences of not implementing the Stormont House Agreement are difficult to identify in full, but ultimately these include failure to achieve a balanced budget for devolved government in Northern Ireland.

1. Background

1.1 Haass Negotiations

From September-December 2013, Richard Haass, the former US diplomat and US Special Envoy to Northern Ireland chaired talks between Northern Ireland political parties on flags, parading and the past. These issues were identified in the Northern Ireland Executive's strategy document *Together: Building a United Community*,¹ published on 23 May 2013. The terms of reference for the Haass discussions were issued in August 2013.²

The Haass discussions concluded without agreement on the 31 December 2013.

1.2 2014 negotiations

Negotiations involving the five Northern Ireland Parties represented in the Assembly began again in October 2014. These were structured into a three strand process which included the Northern Ireland parties, the UK Government and the Irish Government. A representative of the US administration, Senator Gary Hart, also provided support and close engagement. In addition to the topics of flags, parading and the past, the 2014 talks covered welfare reform, the NI Executive budget and reform of political institutions.

Sinn Fein's concern over welfare reforms required by the UK (Coalition) Government was one of the causes of the inclusion of this topic in the 2014 negotiations. The party wanted extra money to create offsetting arrangements to reduce the impact of welfare reforms, coming into effect across the UK, on Northern Ireland. This had prevented the adoption of a balanced budget in 2014.

In a speech delivered to the British-Irish Association Conference, on 5 September 2014, the Secretary of State set out the UK Government's position on welfare in Northern Ireland:

The Government has agreed important flexibilities for example on the spare room subsidy to reflect Northern Ireland's specific circumstances. But we have gone as far as we can go.

There will be no additional money for Northern Ireland to retain a more expensive welfare system.

As we all here know, the devolution settlement gives Northern Ireland the option to go it alone and break parity with the rest of the UK. But that choice comes with consequences.

Those include the long term economic and social damage caused clinging to a broken system that has spiralled out of control and fails the too many of the people it is intended to help.

¹ Northern Ireland Executive, *Together: Building a united community*, May 2013.

² Northern Ireland Office, Panel of parties in the NI Executive, *Terms of reference*, August 2013.

They also include financial consequences with welfare absorbing ever more of the Executive's budget to the disadvantage of Northern Ireland's hospitals, schools, policing and transport.³

³ [Northern Ireland Office, Press Release, 5 September 2014](#)

2. Stormont House Agreement

A broad agreement was reached in the talks on 23 December 2014, and known as the [*Stormont House Agreement*](#).⁴ This was immediately welcomed by the DUP, UUP and Sinn Féin, but the SDLP and the Alliance had remaining concerns. The agreement was not a detailed resolution of all issues: it represented an aversion of immediate crisis and a set of processes to take things forward.

2.1 Finance and welfare

The first paragraph of the Stormont House Agreement stated that “early measures are needed to address the longer term structural financial difficulties in the Northern Ireland budget.” The UK Government provided a financial support package of almost £2 billion, details of which were set out in an [*Annex*](#) to the Agreement.⁵

The parties agreed to adopt a final balanced budget for 2015-16 in January 2015, and that the Executive would adopt a comprehensive programme of Public Sector Reform and Restructuring in the same month. This would include a reduction in the size of the public sector, including the civil service, reduction in the pay bill and extension of shared services. Also in January 2015, it was agreed that legislation would be brought before the Assembly “to give effect to welfare changes alongside further work to develop and implement flexibilities and top-ups from the block grant as part of a package of measures to address local need.”⁶ Implementation of the welfare reforms will take place between 2015-16 and 2016-17.

Corporation tax was to be devolved, with legislation to be introduced as soon as Parliament returned (after the Christmas recess). This would enable the devolution of corporation tax in April 2017.

Other medium to long term moves would be to include executive departments reporting, by March 2015, on plans for further reform measures, and also looking at how best to realise the value of capital assets, raising income, especially for enhanced public services, or making long term savings.

An undertaking was included that there would be an independent audit of spending to identify “how divisions in society impact on the delivery of goods, facilities and services, and to then consider how best to reconfigure service delivery in a manner consistent with a shared future.”⁷

The UK Government would consider additional fiscal devolution, in line with work by the Executive to identify whether this would bring economic or social benefit for Northern Ireland. This would include

⁴ Northern Ireland Office, [*Stormont House Agreement*](#), Policy paper, 23 December 2014.

⁵ Northern Ireland Office, [*Stormont House Agreement Annex*](#), Policy paper, 23 December 2014.

⁶ [*Stormont House Agreement*](#), para 6

⁷ [*Stormont House Agreement*](#), para 12

consideration of devolving the aggregates levy, stamp duty and landfill tax.

In announcing the Agreement to the House of Commons on 7 January 2015, the Secretary of State, Theresa Villiers, stated that the package of financial support would amount to about £2 billion of additional spending power. This would be made up of new funding and flexibilities in existing resources.⁸

2.2 Flags, identity, culture and tradition

By June 2015 a Commission on Flags, Identity, Culture and Tradition would be created, which would report within 18 months.⁹ It would have 15 members, seven of them nominated by the leaders of the parties in the Executive, two from each of the two largest parties, and one from each of the next three parties by number of seats in the Assembly. The remaining members would be from outside of government. The report of the Commission would be agreed by a majority of its members and at least five of the party nominees. The Commission would focus on flags and emblems, but will also look at broader issues of culture, tradition and identity, aiming to achieve maximum consensus.

2.3 Parades

The power to take responsibility for parades and any protests relating to them would be devolved. This would take the place of the Parades Commission, which is unpopular with Unionists. Legislation would be presented to the Executive by the First Minister and Deputy First Minister in June 2015. This would focus on the rights and responsibilities of those involved in, or affected by, parades and related protests, with proper regard for fundamental rights protected by the European Convention on Human Rights. The aim would be to balance the competing rights of those involved, but also to recognise the responsibilities they owe to others.¹⁰

There would be public consultation on the details of the legislation, but the new system would be based on respect for the rule of law, for those parading, for those protesting, and for those who live and work in the affected areas. It would encourage dialogue at a local level, and it would have regard to transparency, proportionality, openness and fairness. Independent adjudication, while available, would be treated as a last resort.

2.4 The past

The participants agreed that an approach for dealing with the past should respect the following overarching principles:

⁸ [HC Deb 7 January 2015, c296.](#)

⁹ *Stormont House Agreement*, para 15

¹⁰ *Stormont House Agreement*, para 19

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- promoting reconciliation;
- upholding the rule of law;
- acknowledging and addressing the suffering of victims and survivors;
- facilitating the pursuit of justice and information recovery;
- is human rights compliant; and
- is balanced, proportionate, transparent, fair and equitable.¹¹

To this end, they agreed various detailed measures.

The Executive will establish an **Oral History Archive** by 2016; as part of this, academics will produce a timeline and statistical analysis of the Troubles within 12 months.

The Executive will take steps to ensure that victims and survivors have access to high quality services. This will include a **Mental Trauma Service**, operating within the NHS, as recommended by the Commission for Victims and Survivors.

Work will be undertaken to find a way forward on the proposal for a **pension for severely physically injured victims** in Northern Ireland.

A new independent **Historical Investigations Unit** (HIU) will be established to take forward investigations into outstanding deaths from the Troubles. This follows the closure of the Historical Enquiries Team (HET) as a result of budget cuts for the Police Service of Northern Ireland, but will also presumably seek to address some of the criticisms made of the HET. This was regarded as less effective in its approach to cases potentially involving the state, and was described by Her Majesty's Inspector of Constabulary, Stephen Otter, as acting "unlawfully" as a result.¹² The HIU will complete its work within five years, and it will be overseen by the Northern Ireland Policing Board.

A new **Independent Commission on Information Retrieval** (ICIR) will be created by the UK and Irish Governments to enable victims and survivors to obtain privately information about Troubles-related deaths of next of kin.

An **Implementation and Reconciliation Group** (IRG) will be set up to oversee themes, archives and information recovery: it will commission a report on themes after five years. The IRG has a relatively open remit:

Promoting reconciliation will underlie all of the work of the IRG. It will encourage and support other initiatives that contribute to reconciliation, better understanding of the past and reducing sectarianism.¹³

It will be chaired by a person of "independent and international standing" nominated by the First Minister and Deputy First Minister. The

¹¹ *Stormont House Agreement*, para 21

¹² "[Historical Enquiries Team treats state cases with 'less rigour'](#)," *BBC News*, 3 July 2013

¹³ *Stormont House Agreement*, para 52

other members will be nominated by the political parties, and the two Governments. The members may not be elected representatives.

2.5 Institutional reform

The number of Assembly members would be reduced to five per constituency (there are currently six), under Assembly legislation. The capacity to legislate for size of the Assembly was created by the *Northern Ireland (Miscellaneous Provisions) Act 2014*.

A number of other detailed changes are to be made to the way the Assembly operates, including the option of creating an official Opposition. By March 2015 arrangements would be put in place to allow parties which would be entitled to positions in the Executive, but chose not to take them, to be recognised as an Opposition. These Opposition parties would gain access to financial and research assistance and would have designated speaking rights and opportunities to table business.

The number of departments in the Northern Ireland Executive was to be reduced from twelve to nine, in time for the 2016 election. Changes will be made to Executive meetings, to increase the opportunity for Ministers other than the First/Deputy First Minister to add items to the agenda, and to call for meetings to be convened.¹⁴

2.6 Review and monitoring

The participants in the talks described themselves, in the Agreement, as “very conscious that the integrity and credibility of this agreement is dependent on its effective and expeditious implementation”. A timetable for review and monitoring was set out such that review meetings involving all three strands of the talks should be held quarterly. An implementation timetable was to be agreed before the end of January 2015 and six-monthly updates on implementation progress were to be published.¹⁵

2.7 Initial reaction

The Northern Ireland parties broadly welcomed the Agreement in December 2014. The DUP and Sinn Fein recommended it to their party executives: Sinn Fein ratified it on 29 December.

First Minister Peter Robinson, DUP, said,

Of course every one of us would have liked to have had a more comprehensive and complete agreement but this is as much and more than we have ever been able to do on these issues in the past. So it is a very significant agreement.¹⁶

¹⁴ *Stormont House Agreement*, para 56, 60, 62

¹⁵ *Stormont House Agreement*, para 75.

¹⁶ “[NI talks: broad agreement is brokered on some key issues](#),” *BBC News*, 23 December 2014

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Deputy First Minister Martin McGuinness, Sinn Fein, said the Agreement gave the potential for a “fresh start. And it is a fresh start we need to seize with both hands. I think it's been a remarkable achievement.”¹⁷

Mike Nesbitt, leader of the UUP, acknowledged that no party would be able to give full support to all aspects and that much of the Agreement consists of new processes to take things forward. Alliance leader David Ford accepted the Agreement but said that it did not go far enough to meet the needs of Northern Ireland society, while the SDLP's Alasdair McDonnell expressed disappointment and said that the “deal falls short,”¹⁸ citing in particular the proposals on parades.

The UK Prime Minister, David Cameron, and the Irish Taoiseach, Enda Kenny, both issued statements welcoming the agreement and highlighting the work still to be carried out.^{19 20}

¹⁷ Ibid

¹⁸ Ibid.

¹⁹ Prime Minister's Office, [Northern Ireland Cross Party Agreement](#), 23 December 2014.

²⁰ Department of the Taoiseach, [Welcomes conclusion of Northern Ireland political talks](#), 23 December 2014.

3. Implementation Jan-Jun 2015

3.1 Stormont House Implementation Group

The Agreement included a commitment that provisions must be actively reviewed and monitored. An Implementation Group was set up, with representatives of the NI Executive parties, as well as the UK and Irish Governments. The Implementation Group held planned meetings in January, March and June with an extraordinary meeting on 2 June 2015, to discuss the situation with the *Welfare Reform Bill*. Weekly meetings of officials of the NI Civil Service, with UK and Irish officials, also took place to progress implementation matters.

As required in the Agreement, a six-monthly review of progress was published on 25 June 2015.²¹ The introduction to the *Progress Report June 2015* states that it reflects the significant progress made in implementing the Agreement. The Report details much preparatory work carried out on a number of areas, but several of the targets set for June 2015 have not been achieved. This reflects the failure of the *Welfare Reform Bill* to complete passage in the Assembly, which has had an impact on other areas in the Agreement.

The Democratic Unionist Party also put forward a statement which was published as an Annex to the *Progress Report June 2015*:

Statement by the DUP regarding the Stormont House Agreement

The DUP is firmly committed to the full implementation of every aspect of the Stormont House Agreement. The Stormont House Agreement is a comprehensive interdependent deal which requires full implementation of all its parts. Failure to implement one part disturbs the carefully constructed balance of the Agreement. If the Agreement is not implemented as a whole then each element stands to be re-negotiated separately.²²

The Secretary of State made a statement on implementation of the Agreement, at Northern Ireland Office oral questions in the Commons, on 24 June 2015. She emphasised the importance of the Northern Ireland Assembly passing a budget which would work, with the implementation of welfare provisions.²³

3.2 Queen's Speech

The Queen's Speech from the newly elected Conservative government was delivered to Parliament on 27 May 2015. It contained a commitment on the Agreement:

My Government will also bring forward legislation to secure a strong and lasting constitutional settlement, devolving wide-ranging powers to Scotland and Wales. Legislation will be taken forward giving effect to the Stormont House Agreement in Northern Ireland.²⁴

²¹ Northern Ireland Office, [Stormont House Agreement Progress Report](#), June 2015.

²² *Stormont House Agreement Progress Report*, Annex, p11

²³ [HC Deb 24 June 2015, c867-70](#)

²⁴ [HL Deb 27 May 2015, c5-7](#)

The *Progress Report June 2015* makes reference to work being carried out with the Northern Ireland Office for elements to be included in the *Northern Ireland Office (Stormont House Agreement) Bill*, to be introduced at Westminster in a utumn 2015.

The Commons Northern Ireland Select Committee is carrying out an inquiry into the [Responsibilities of the Secretary of State](#). An oral evidence session with the Minister was held on 16 July 2015, where she indicated the scope of the forthcoming Bill as:

It is essentially the mechanics of the HIU, the ICIR and the oral history archive. There is some talk of a technical change in relation to the ability to retain DNA for the HIU but, fundamentally, we plan to put in the Bill those three key aspects of the structures in the Stormont House Agreement on the past.²⁵

3.3 Finance

A Budget Bill was introduced in the Assembly on 9 February 2015. This passed through all its stages and received Royal Assent on as the [Budget Act \(Northern Ireland\) 2015](#) on 12 March 2015, with cross-community support. This covered spending in the 2014-15 financial year and the first part of the 2015-16 financial year, until the Assembly vote on estimates in early June.

The *Budget (no 2) Bill* (Bill 53/11-16) was introduced in the Assembly on 16 June 2015. This Bill provided a budget up to 31 March 2016. It passed all Assembly stages and received Royal Assent on 30 June as the [Budget \(No 2\) Act \(Northern Ireland\) 2015](#).

Speaking in the Assembly on 22 June 2015, in the Debate on Second Stage of the *Budget (No 2) Bill*, the Deputy First Minister, Martin McGuinness, set out the position of Sinn Fein as:

I speak today to give conditional support to the Finance Minister's Budget Bill. The Bill will create the space to resolve outstanding issues so that the Executive have workable and sustainable finances in the time ahead, and to ensure the full implementation of the Stormont House Agreement. Of course, there remains a fundamental challenge for the Executive on welfare protections, but, while we explore a way forward on that, the other important elements of the Stormont House Agreement, including the essential legacy mechanisms, should and must proceed.²⁶

A [voluntary exit scheme for public servants](#) was launched on 2 March 2015. This was linked to the institutional reform of reducing Executive Departments from twelve to nine, agreed by the Executive on 22 January 2015. The funding for this will be up to £200m per year in 2015/16, 2016/17 and 2017/18, with a further £100m in 2018/19. The scheme for Northern Ireland Civil Service will only operate in 2015/16 and will seek to remove around 2,400 full time equivalent posts. This will equate to around a pay bill saving of around £26m in 2015/16 and £88m per subsequent year. Over 7,000 staff applied for voluntary exit.

²⁵ [Northern Ireland Affairs Committee, Oral Evidence, HC 322 2015/16](#), 16 July 2015.

²⁶ Northern Ireland Assembly, [Official Report](#), 22 June 2015.

A further 200 staff will be offered voluntary exit from Northern Ireland further education colleges, using the same funding scheme.

A bill to devolve the setting of rates of corporation tax to the Northern Ireland Assembly was introduced into the Commons by the Secretary of State on 8 January 2015. Further details on the background and content of the Bill can be found in a House of Commons Library briefing paper, [Devolution of corporation tax to Northern Ireland](#).²⁷ The Bill passed through all its stages at Westminster and received Royal Assent as the [Corporation Tax \(Northern Ireland\) Act 2015](#) on 26 March 2015.

The Secretary of State was asked about progress on this matter when she gave evidence at Westminster on 15 July 2015. Her response was:

The legislation is on the statute book. It is subject to a commencement clause. It is really impossible to see how that commencement could take place in the current circumstances, because it is not possible to devolve further tax powers to an Assembly that is locked in a budget crisis. There is direct conditionality on this in the Stormont House Agreement anyway, but even if the Agreement was silent on the question, the Executive's finances would have to be on a sustainable basis, with a workable budget, before devolution of rate-setting powers could take place.²⁸

3.4 Welfare

The Agreement did not contain details about how welfare reform was to be implemented in Northern Ireland. The wording in the Agreement was:

Legislation will be brought before the Assembly in January 2015 to give effect to welfare changes alongside further work to develop and implement flexibilities and top-ups from the block grant as part of a package of measures to address local need.²⁹

A [Welfare Reform Bill](#) (Bill 13/11-15) had been previously introduced into the Assembly in October 2012 and had progressed to Consideration Stage, with Amendments tabled in April and May 2013. The Bill Consideration Stage started again in February 2015, when it passed on to the Further Consideration stage. (Northern Ireland Assembly Bills are enumerated and considered during a mandate, which runs between elections to the Assembly. The current mandate runs from 2011-2016. Assembly Bills do not fall if consideration is not completed during an Assembly session.)

The *Welfare Reform Bill*, as introduced in 2012, was:

A Bill to make provision for universal credit and personal independence payment; to make other provision about social security; to make provision about child support maintenance and the use of jobcentres; and for connected purposes.³⁰

²⁷ [Devolution of corporation tax to Northern Ireland](#), Commons Library Standard Note 7078, 12 February 2015.

²⁸ Northern Ireland Select Committee, Oral Evidence, HC 322 2015/16, 16 July 2015.

²⁹ *Stormont House Agreement*, para 6

³⁰ Northern Ireland Assembly, [Official Report](#), 1 October 2012.

This followed on from the provisions enacted in the UK Parliament as the [Welfare Reform Act 2012](#), which received Royal Assent on 8 March 2012. The majority of provisions of that Act applied to England, Scotland and Wales only.

On 9 March Sinn Fein lodged a Petition of Concern on the Welfare Bill. If a petition of concern is presented to the Assembly Speaker, any motion or amendment requires cross-community support to proceed. A vote on proposed legislation will only pass if supported by a weighted majority (60%) of members voting, including at least 40% of each of the nationalist and unionist designations present and voting. This led to the Minister for Social Development not moving the Final Stage vote on the Bill.

Further discussions took place between the Parties, with information to enable this provided by the Department for Social Development. The *Welfare Reform Bill* was presented again to the Assembly on 26 May 2015. In her speech on the proceedings the Finance Minister, Arlene Foster, detailed the timetable of financial events which would follow if the Bill was not passed.³¹

Just to be clear, yes, the Budget that we talked about last week and the hole that is presently there in relation to £604 million of debt arises because of the non-implementation of the Stormont House Agreement, and we will not put our hands to supporting such a Budget, even though I will probably have to bring the figures forward to the Executive this week for discussion. If that is not doable then it falls to the permanent secretary to deal with the issue. I have taken legal advice in relation to the use of accruals and have been told that, whilst the accruals will come in to Northern Ireland, they cannot be paid out, because to do that we would need legal authority under the Budget (No. 2) Bill. Without the Budget (No. 2) Bill there is no legal authority to pay the money out, so, whilst the money will come to Northern Ireland, there is no authority to pay out the accruals that come.

There is where the rather large figure of £2.7 billion occurs. It is a very distressing place to be.

The bill was rejected in the Assembly on 26 May 2015, with all the Sinn Fein and SDLP members voting against it. The Secretary of State, Teresa Villiers, arranged to hold talks with the NI parties, starting on 27 May. In a BBC interview on 27 May 2015, when asked if the UK Parliament could move to pass legislation on welfare she stated:

But I think I can't rule out action on this at Westminster, but we're some way away from that as we speak, there is still more that can be done to try and reach a resolution through the devolved institutions.³²

In an attempt to resolve the rejection, the Secretary of State held a meeting with the five Executive parties on 2 June. An agreement was not reached and Teresa Villiers issued a statement:

³¹ Northern Ireland Assembly, *Official Report*, 26 May 2015.

³² [Northern Ireland welfare dispute: Westminster could take over powers](#), BBC News website, 27 May 2015.

The situation looks increasingly grim. No resolution was found at this afternoon's meeting and time is running out.

If the impasse on welfare reform is not resolved, then the whole Stormont House Agreement is in jeopardy, including the £2b financial package and the new institutions on the past. We now face the real prospect of emergency budget provisions coming into operation by the end of July with a negative impact on front line public services. Implementation of the Stormont House Agreement is the only way to get things back on track. The Government is doing all it can to achieve this.³³

The Assembly was able to pass a *Budget (no 2) Act* on 30 June 2015, which included provision for the use of accrual funds by Northern Ireland Departments. However the Finance Minister, in her speech introducing the Budget (no2) Bill on 22 June cautioned:

As I have already made clear to the Assembly, the Executive's 2015-16 Budget was predicated on agreement to implement welfare reform and the Budget flexibilities secured as part of the Stormont House Agreement. Without those flexibilities, there will need to be significant adjustments to the existing Budget position this year.³⁴

Further discussion took place at the meeting of the Implementation Group on 25 June, but again an agreement on a way forward was not achieved.³⁵

On 11 July 2015 the *BBC* broadcast an interview with First Minister Peter Robinson. In this interview Peter Robinson reported that the Chief Secretary to the (UK) Treasury, Greg Hands, had written to the NI Minister of Finance. This letter gave notice that the Treasury would be forced to intervene if the budget crisis was not resolved and NI Departments breached their spending limits.³⁶

The Secretary of State made her position clear in Oral Evidence to the Northern Ireland Select Committee on 15 July 2015:

We will not be giving additional money to Northern Ireland on top of the £2 billion or so in extra spending power that comes with the Stormont House Agreement. That is still very much on the table. We hope the agreement will ultimately be deliverable, in which case the financial package comes with it. But we are not going to top up that financial package, and in particular, we do not feel it would be right to fund a more expensive welfare system for Northern Ireland than we do in the rest of the United Kingdom.³⁷

On 21 July, at Treasury oral questions in the House of Commons, the DUP MP Sammy Wilson asked the Chancellor a question about the steps planned to deal with the potential overspend on the NI budget. The reply given was:

³³ [Villiers: Situation looks grim](#), Northern Ireland Office, Press release, 2 June 2015.

³⁴ [Northern Ireland Assembly, Official Report](#), 22 June 2015.

³⁵ [Villiers: time is running out](#), Northern Ireland Office, Press release, 25 June 2015.

³⁶ [Treasury's 'formal concern' over Stormont finances](#), BBC News, 11 July 2015.

³⁷ Northern Ireland Select Committee, Oral Evidence, HC 322 2015/16, 16 July 2015.

Mr Osborne: We are well aware of the difficult situation with the finances of the Northern Ireland Executive, and of the objections in some quarters of the Assembly to what are, I think, sensible welfare reforms that will help people in Northern Ireland into work. We are working with the First Minister and the Deputy First Minister to resolve that impasse, but it is clearly not sustainable to allow a devolved Administration to ignore the controls placed on them. I know that the hon. Gentleman and his party support that position, and we are working with him, and others, to resolve the issue.³⁸

3.5 Flags

The Stormont Agreement included a commitment that by June 2015 a Commission on Flags, Identity, Culture and Tradition would be created, which would report within 18 months.³⁹

The Stormont House Implementation Group *Progress Report, June 2015*, indicates that an advertisement and candidate pack has been endorsed for the non-political nominees to the Commission. Issues concerning the welfare aspects of the Stormont House Agreement, mean that progress has not been made on the nomination of seven political party members for the Commission, which had not been established by July 2015.

3.6 Parades

The power to take responsibility for parades and any protests relating to them was to be devolved. This would take the place of the Parades Commission. The Agreement stated that legislation would be presented to the Executive by the First Minister and Deputy First Minister in June 2015.

The Office of the Legislative Council, which drafts legislation for the Office of the First and Deputy First Minister, has carried out work on proposals for consideration by the Implementation Group. In practice issues concerning the impasse on the welfare aspects of the Stormont House Agreement meant that this draft legislation on parades had not been presented to the Executive by July 2015.

3.7 The past

The Implementation Group *Progress Report June 2015* indicates that it has carried out preparatory work on the establishment of the various bodies and schemes detailed in the Agreement on the legacy of the past. Some progress has been made on consultation with other bodies, such as the Commission for Victims and Survivors.

Establishment of some of the new bodies to come out of the Stormont House Agreement process will be part of the UK *Northern Ireland (Stormont House Agreement) Bill*, expected to be presented in

³⁸ [HC Deb 21 July 2015, c1368](#).

³⁹ *Stormont House Agreement*, para 15

September 2015, and the Implementation Group has submitted proposals, via the Parliamentary Counsel.

In May 2015 a conference on the subject, *Dealing with the Past in Northern Ireland: Implementing the Stormont House Agreement*, was organised by Amnesty International, the Committee on Administration of Justice and academics. This led to the publication of a model draft Stormont House Implementation Bill, with Explanatory Notes, focusing on the aspects of the past.⁴⁰ This draft is unofficial, but based on academic research and expertise. The Bill was prepared by a drafting committee comprised of representatives of the Committee on the Administration of Justice, individual academics and visiting scholars from the Queen's University of Belfast and the Ulster University.

3.8 Institutional reform

A number of detailed changes were to be made to the way the NI Assembly operates, including the option of creating an official Opposition. By March 2015 arrangements were to be put in place to allow parties which would be entitled to positions in the Executive, but choose not to take them, to be recognised as an Opposition. They would gain access to financial and research assistance and have designated speaking rights and opportunities to table business.

The Implementation Group *Progress Report June 2015*, states that a Schedule of Opposition Entitlements has been prepared. But the arrangements for bringing these into effect in the Assembly, including modification of Standing Orders, had not been achieved by the time of the summer recess, on 4 July 2015.

The Agreement includes the need to set up a new, more transparent and robust, system for Assembly Members' salaries and expenses. The Director of Legal and Governance Services at the Assembly provided the Assembly Commission with information on methods of determining and administering support, based on systems in use in the rest of the UK and Ireland, at their January 2015 meeting. The members of the Commission expressed a need to consult with their parties on the matter. This was discussed again at the Assembly Commission meetings in February and March 2015, but no final decision has been reached.⁴¹

The First Minister announced to the Assembly on 2 March the plans to implement the clause of the Agreement to reduce the number of Executive Departments from twelve to nine, with their responsibilities.⁴²

The main elements from the announcement were given as follows:

The Department of Agriculture, Environment and Rural Affairs will bring together most of the existing functions of DARD with the

⁴⁰ [Stormont House Agreement Model Implementation Bill \(draft for consideration\)](#). May 2015. [Stormont House Agreement Model Implementation Bill, Explanatory Notes](#). May 2015

⁴¹ Northern Ireland Assembly commission, [Minutes of proceedings, 18 March 2015](#).

⁴² Northern Ireland Assembly [Official Report, 2 March 2015](#).

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inland fisheries functions of DCAL and most of DOE's environmental functions, including regulation. It

will also take on OFMDFM's current policy responsibility for sustainability strategy.

The Department for Communities will combine the existing functions of DSD with most DCAL functions, with the exceptions being inland fisheries and waterways. It will also take over DEL's employment service and DOE's responsibilities for local government and built heritage [...]

The Department for the Economy will combine the functions of DETI and DEL, except for the employment service.

The Department of Education will continue the existing functions of DE, together with a range of children's services, including OFMDFM's policy responsibilities for the childcare strategy and for children and young people [...]

The Department of Finance will continue with the existing functions of DFP, but also take over from OFMDFM the government advertising unit and the NI Direct central editorial team.

The Department of Health will continue the existing functions of DHSSPS, except for public safety. It will also take on OFMDFM's policy responsibilities for older people and the active ageing strategy.

The Department for Infrastructure will exercise the existing responsibilities of DRD, but will also take on a range of functions from other existing Departments: vehicle regulation, road safety and Driver and Vehicle Agency functions from DOE; the Rivers Agency from DARD; inland waterways from DCAL; and, from OFMDFM, the strategic investment unit and several regeneration sites, including the Crumlin Road Gaol.

The Department of Justice will continue the existing functions of DOJ, but will also take responsibility for public safety from DHSSPS, and the support function for the Planning Appeals Commission/Water Appeals Commission from OFMDFM.

Finally, our Department, OFMDFM, will be significantly transformed. Its new name will be the Executive Office. As is clear from the previous description of the functions of the other Executive Departments, OFMDFM will be transferring most of its delivery functions. It will retain its role in supporting the Executive and the central institutions, including coordination of the Programme for Government, international relations, civil contingencies and the executive information service [...]

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