

# WRITTEN MINISTERIAL STATEMENT

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Office of the First Minister and deputy First Minister

BUILDING A PROSPEROUS AND UNITED COMMUNITY: ONE YEAR ON

*Published at 12.00 noon on Thursday 3 July 2014*

**The First Minister and the deputy First Minister:** We are today announcing the publication of the annual progress report, *Building a Prosperous and United Community: One Year On*, following our meeting with the Prime Minister yesterday.

## **Background**

It is one year after the publication of the 'economic pact', *Building a Prosperous and United Community*. In that pact, we agreed a series of measures consistent with our joint aim to rebalance the economy and build a shared future. Twelve months on we can now reflect on the progress made in areas such as job promotion, research and development, investment and infrastructure, and consider the further challenges that lie ahead.

The annual report which we have published shows that the Government and the Executive remain committed to our shared objective of rebalancing the economy. We have been working together on a range of issues, for example, through the Ministerial Taskforce on Banking and Access to Finance, to address the economic issues faced by our local economy.

## **Summary of Progress**

### *Improving Economic Outlook*

The local economy has gained significant momentum over the last year with signs of improvement across a wide range of indicators. Economic activity expanded in three successive quarters and increased by 2.6 per cent across 2013. The number of employee jobs has also increased by 16,000 over the last year with the vast majority of these new jobs being in the private sector.

Government schemes have continued to have a direct impact with £34 million of investment from the Enterprise Finance Guarantee Scheme and the recent introduction of the Business Finance Partnership (£2.4 million) and Start-up Loans scheme (£400,000) here. The Green Investment Bank will now also make two separate investments of £1.5 million and £1.7 million to help increase the efficiency of the local agri-food sector.

Business and consumer confidence has been buoyant over the last year, with local surveys from both Ulster Bank and Danske Bank regularly registering record highs. The Northern Ireland Centre for Economic Policy (NICEP) now anticipates growth of 2.8 per cent in 2014, a higher growth rate than that expected for most advanced economies around the world. NICEP also expects an additional 23,000 jobs to be created in the economy across 2014 and 2015.

### *Investment being delivered*

The Government and the Executive have continued to work together to maximise the opportunity provided by the G8 summit to present Northern Ireland as a great place to do business. These efforts mean that we remain the most attractive region for inward investment outside of London.

Invest NI recently published its results for 2013-14 which show it had a record year. They promoted almost 11,000 jobs with associated wages and salaries of £190 million. Invest NI also provided support to nearly 3,000 businesses making combined investments of £239 million.

The International Investment Conference held in October and attended by the Prime Minister had an important role in supporting this success. As a direct result of the Conference, including roundtable discussions with the Prime Minister, projects by Convergys in Derry-Londonderry and EY in Belfast promoting over 800 jobs have now been announced.

The ability to attract inward investment is supported by continued efforts to provide a stable, long-term platform to promote investment.

### ***Projects Building a Shared Future***

The Executive's wide ranging strategy to improve good relations, *Together: Building a United Community (TBUC)*, was published in May 2013. It is an ambitious framework that includes commitments on education, housing, regeneration, sports, youth development, community interaction and interfaces.

The Executive has brought forward shared education and shared housing proposals to use the £100 million additional borrowing available as part of *Building a Prosperous and United Community*. This will allow the prioritisation of spending on a package of measures including integrated primary schools in Omagh, Portadown and Corran, shared neighbourhood schemes such as Ravenhill Road and further education facilities at Craigavon.

The Government has agreed to reprofile this borrowing to help accommodate these and the Executive is committed to funding the remainder of the capital required.

Together these projects will help increase the availability and quality of shared education places and increase the opportunities for people across different communities to live together.

The additional borrowing made available has made it possible to prioritise this investment in a shared future. A number of these projects have been accelerated and will be delivered earlier than would be the case under the usual approach to funding.

The Executive has established a pilot for the United Youth Programme with further pilots being developed to engage with around 300 young people from September. These will inform the design and content of the 10,000 one-year placements committed to in *TBUC* which will make use of the €50 million added to the PEACE IV Programme by the Government from its European Territorial Co-operation allocation.

### ***Further progress to be made***

There are a number of commitments in *Building a Prosperous and United Community* that continue to be developed. This update represents progress so far but also an opportunity to continue the important work helping to rebalance the local economy and build a shared future.

Before the end of the year, five of the shared housing schemes are expected to be under construction. The pilot reciprocal visa arrangements between the UK and Ireland should also be in operation by the end of the year, boosting tourism. This represents visible progress that will help deliver better outcomes for us.

A number of further commitments will also be met by the end of 2014 including: a final report from the Executive's Red Tape Review; proposals will be made to Government and Executive Ministers about the scope for further fiscal devolution; and consideration of the Implementation Panel's interim report on access to finance.

The Government and the Executive will also work together to deliver three Ambassador-led trade missions to Northern Ireland to reinforce the opportunities for investment available.

The Government remains committed to making a final decision on the potential devolution of corporation tax no later than this year's Autumn Statement. If a decision to proceed with devolution is made then the Government remains on track to introduce a stand-alone Bill with the aim of it becoming law in this Parliament.

The Government and the Executive will continue to work together on our commitments on the economy and to make sure that the announcements made today are successfully delivered and implemented.

Together we remain committed to our ambition of a genuinely shared society that can fulfil its economic potential and strengthen the foundations for continued peace, stability and prosperity.

A copy of the report is published on the Government website at :

<https://www.gov.uk/government/publications/building-a-prosperous-and-united-community-one-year-on>