<u>Press release: James Brokenshire</u> <u>statement: Northern Ireland talks</u> <u>update</u>

Rt Hon James Brokenshire MP, Secretary of State for Northern Ireland said:

"While important progress has been made in discussions between the DUP and Sinn Fein towards the establishment of an Executive, it has not yet been possible for the parties to reach agreement.

"I am not therefore in a position to introduce the legislation necessary for an Executive to be formed this week though I must stress we are continuing to work with the parties as they proceed with ongoing talks.

"As I have outlined previously there are consequences to not being able to bring forward this legislation this week. It is responsibility of the parties to form an Executive to take forward its own Budget, but it is now very unlikely that an Executive will be in place within a timetable to pass a budget by the end of November, which is the point at which we and the Northern Ireland Civil Service assess that Northern Ireland will begin to run out of resources.

"No Government could simply stand by and allow that to happen.

"I am, therefore, now taking forward the necessary steps that would enable a Budget Bill to be introduced at Westminster at the appropriate moment in order to protect the delivery of public services in Northern Ireland.

"I would expect the Budget Bill to be considered in Parliament after the short November recess, but I will be returning to Westminster to update MPs.

"Subject of course to Parliamentary approval, the effect of this would be to give the Northern Ireland Civil Service certainty to plan for the rest of this financial year by giving the necessary legal authority to spend to existing plans.

"The Budget Bill will deal only with 2017-18 and would incorporate figures provided by the Northern Ireland Civil Service reflecting their assessment of the outgoing priorities of the previous Executive.

"I also want to be clear that passing a Budget in Westminster does not mean a move to direct rule ... any more than the passing of legislation to set a Regional Rate did in April.

"Let me be clear, this is not a barrier to continued political negotiations and the Government will continue to work with the Parties with that intent.

"And indeed, however unlikely, should an Executive be formed speedily enough and a means could be created to provide an exceptional procedure to enable the budget to be passed by the end of November I would be prepared to withdraw the Budget Bill in order for Assembly to legislate for itself.

"I will also be seeking independent advice on what steps should be taken to reflect the current circumstances in MLA pay.

"The Government remains steadfast in our commitment to the 1998 Belfast Agreement and its successors and to the institutions that they establish.

"I therefore urge the parties to resolve their outstanding differences to see the restoration of devolved government quickly.

"Together with the Irish government, in accordance with the three stranded approach, we will continue to work with them and support them in their efforts.

"But in the end it is only the parties themselves that can reach that agreement.

"It remains firmly in the interests of Northern Ireland to see devolved government restored, to see locally elected politicians making decisions for the people of Northern Ireland.

"With goodwill and compromise on all sides the parties can still achieve this and it is what needs to happen."