

Speech: Secretary of State's speech at NILGA Annual Conference

Thank you Noel for that introduction, and thank you to Derek and the wider NI Local Government Association for the kind invitation to speak at this conference today.

Local Government is a crucial part of our democratic system and the role played by all of you here cannot be underestimated.

Since 2014, we have seen Northern Ireland's 11 local councils step up to the mark and use their increased powers over planning, investment and tourism to deliver more and better services to local residents, making a real difference to the local economy.

And in the recent absence of an Executive, that role, in making the local voice heard in policy making, has been even more important for the constituents and communities that you represent and serve.

I pay tribute to you for getting on with the job and delivering for the people of Northern Ireland.

There are challenges we face in stimulating the economy, exiting the EU and in restoring a devolved government to Northern Ireland. These are national issues, but it is at the local level that we see their effects take shape.

But we can take comfort, at all levels of government, in knowing that we all share the same ultimate ambition to build a safe, fair, stable and prosperous Northern Ireland for the benefit of all people.

And the only way we can do that is by working together, as partners and taking confident strides forward, in the knowledge that we have a platform of great success to build upon.

And we should acknowledge and celebrate that success. Nearly two decades since the Belfast Agreement, we have seen Northern Ireland transformed from a place which had struggled to attract investment against a backdrop of terrorism and instability, to becoming one of the most popular locations in the UK for attracting foreign direct investment.

In Northern Ireland alone there are 43,000 more people in work with 10,700 new private sector jobs over the past year alone, bringing private sector jobs to a series high.

Job creation has been supported by Northern Ireland's continued success in securing new Foreign Direct Investment and of course by the strong performance of some key industries such as tourism, pharmaceuticals and Northern Ireland's world leading Cyber Security sector.

Your local council areas will most likely be home to at least one of over 800

international companies located here in Northern Ireland and the UK Government will continue to do all it can to promote Northern Ireland as a great place to live, a place to invest and a place to succeed in business.

So overall, the picture is one of solid growth, increasing output, falling unemployment, and job creation. But we must continue to move forwards.

Future prosperity will be at the heart of our discussions on EU Exit.

The UK voted to leave the EU but that does not mean we are turning our backs on our friends and partners in Europe.

And as a Government we are committed to securing a deal with the EU that works for the whole of the United Kingdom, including Northern Ireland. That was clear from the Prime Minister's speech in Florence last month, and in the position paper on Northern Ireland that was published over the summer.

As we do, we want to continue to hear a wide range of stakeholder views. And on that basis, we welcome your publication on 'Brexit and the Border'.

The paper brings out some key themes.

While it highlights some of the challenges for the border corridor, it also reveals the opportunities arising against a backdrop of better than expected performance in both the Northern Ireland and the Republic of Ireland economies.

And it highlights too the importance of continued engagement with Local Authorities and other stakeholders to ensure that any opportunities arising from Brexit can be grasped.

In response, I want to reassure you all today that this Government wants arrangements to be as seamless and frictionless as possible for moving goods between Northern Ireland and Ireland, to ensure that local businesses can get on with the job.

As you will know, we have put forward two possible options: a highly streamlined customs arrangement and a new customs partnership.

We also set out in detail in our paper on Northern Ireland/Ireland a range of further measures we want to explore with the EU, including an extensive small business sector carve out, designed to ensure that smaller traders could continue to operate as they do now, with no new requirements in relation to customs processes.

These are bold and imaginative proposals to the issue of free flow of goods across the border with Ireland. And we would encourage everyone to get behind that debate as we look to develop the next stage of detail.

But of course the open border is about more than goods, it is also fundamentally about people and communities. The UK and the EU have committed already in negotiations to protecting the Belfast Agreement and the Common Travel Area.

The UK Government wants to protect the ability to move freely within the UK and between the UK and Ireland with no practical change from now, recognising the special importance of this to people in their daily lives, and the underpinning that it provides for the Northern Ireland political process.

We also recognise that investors, businesses and citizens in both the UK and the EU, and beyond, need to be able to plan ahead. We want to avoid any cliff-edge and it is clear that what would be most helpful to people and businesses on both sides, is for us to agree detailed arrangements for an implementation period, to ensure there is only one set of changes as we move from our membership to our future partnership.

As the Prime Minister said in Florence, and again in her statement to Parliament earlier this week, at the heart of these arrangements, there should be a clear double lock: a guarantee that there will be a period of implementation giving businesses and people alike the certainty that they will be able to prepare for the change; and a guarantee that this implementation period will be time-limited, giving everyone the certainty that this will not go on forever.

I am pleased we have made good headway on agreeing shared principles on the preservation of the Common Travel Area. We have also made good progress discussing the citizenship and identity rights provided for in the Belfast Agreement, as well as scoping the North-South co-operation that currently takes place under the Agreement.

As I have made clear, future prosperity will be at the heart of our discussions on EU Exit.

But if we are to make real progress on prosperity in Northern Ireland we need a functioning, effective devolved government.

A devolved government that can:

- Continue to contribute to the important discussions about how the UK will leave the European Union alongside the devolved governments in Scotland and Wales

One which can:

- Support continued economic growth in Northern Ireland and make the important decisions facing Northern Ireland's public services.

And one that can:

- Engage in the debate with NILGA representatives and councils on the key issues facing its members, such as the future role of local government and the balance of powers between the Executive and councils or indeed local priorities for infrastructure and investment.

The absence of an Executive, and the lack of political direction on these important issues, is simply not in the best interests of Northern Ireland.

It is important for growth, prosperity and for the people of Northern Ireland, that we see devolved Government return and return as soon as possible.

This is why I have been working intensively with the Northern Ireland parties and the Irish Government, consistent with the three stranded approach, towards reaching an agreement which will pave the way for the formation of an Executive.

The DUP and Sinn Fein have been in intensive discussions together and have made some progress in closing the gaps between them, including on issues of language and culture.

I have been clear with them that the window for restoration of devolution in Northern Ireland is short; and that we are reaching a critical point at which I would have to consider next steps. I have been very open about this. Now is the time for the parties to look beyond their differences, harness a spirit of compromise and reach agreement.

It would be with great regret and reluctance that increased political decision-making from Westminster would become a reality. But if a deal is not reached imminently, that greater intervention, beginning with Westminster legislation to set a 2017/18 budget for Northern Ireland, risks becoming inevitable.

This would be a big step backwards, a step I do not want to have to take. But I will not shirk from my ultimate responsibility for good governance and political stability in Northern Ireland.

This can be avoided. Devolved Government can be achieved with political leadership at a central and local level.

With support of the people, communities and businesses of Northern Ireland we can unlock the opportunities that we see in front of us:

With a devolved government in place we can work with the restored Executive on options for the devolution of corporation tax and take forward work on our commitment to work towards a comprehensive and ambitious set of City Deals for Northern Ireland to prosper.

City Deals is a subject close to my own heart, and I will be engaging with Government colleagues to take this work forward in earnest.

Ultimately of course, we need to work closely with the NI departments as well as local Councils and local business stakeholders. And for that, we need an effective, inclusive Executive back up and running again.

I see a bright economic future for Northern Ireland – one that this Government will continue to support.

And as Secretary of State I will remain a strong champion for Northern Ireland.

This includes supporting Bombardier in the ongoing trade case brought by Boeing.

There, we are clear that the unjustified action by Boeing, is simply not what we would expect of a long-term partner of the United Kingdom.

And everyone here and beyond can be reassured that we will continue to work with Bombardier to safeguard the jobs and livelihoods of over 4,000 skilled workers and their families in Belfast and across Northern Ireland, as well as all of those jobs that are linked to the supply chain too.

But unlocking the growth potential of Northern Ireland is not a job for one party alone.

We need everybody working together.

The UK Government.

A restored Executive.

And local leaders as well.

I have very much welcomed the supporting voice of the NI Local Government Association in stressing the need for the return of devolved government.

And to all elected representatives here today I ask you to take this message back to your parties, to play your part in delivering a resolution and underline just how important the restoration of devolved government is:

- for business
- for ordinary people
- for economic progress
- and for Northern Ireland as a whole.

Let us work together, as partners, to respond to the challenges and harness the clear opportunities ahead, and let's get on with delivering the bright positive future for NI we know we can achieve together.