

OFFICIAL



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Meg Hillier MP
Chair of the Committee of Public Accounts

By email

18 January 2021

Dear Chair,

Thank you for your letter of 4 January regarding the **New Deal for Northern Ireland** which was announced by the Secretary of State for Northern Ireland in December 2020.

The UK Government commitment to a New Deal for Northern Ireland was made in the New Decade, New Approach agreement of January 2020 and reiterated in the Northern Ireland Command Paper in May 2020. The funding announced will help mitigate the impacts of the Northern Ireland Protocol, boost economic growth, increase Northern Ireland's competitiveness and invest in infrastructure. It will:

- Support initiatives to promote Northern Ireland's goods and services to markets in GB, Ireland and the rest of the world;
- Support the development of systems that will enable supermarkets and other traders to manage the new trading arrangements and coordinate trade between Northern Ireland and Great Britain;
- Help ensure resilience in medicine supply chains;
- Promote Northern Ireland's potential as a leader in innovative technology and invest in the skills of the people of Northern Ireland in key growth areas such as cybersecurity, fintech and green/clean technology;
- Invest in social development across Northern Ireland, strengthening social cohesion and building stronger, safer communities - including by supporting initiatives to enable children from different community backgrounds to be educated together; and
- Improve the flow of goods to and from Great Britain and across Northern Ireland, boosting access to opportunities.

I confirm that this is new funding. It is in addition to funding commitments made in the last year including: the £2 billion committed in New Decade, New Approach; the £650m allocated in August for the Trader Support Scheme, investment in new technology and our Peace Plus

contribution; a £3bn funding guarantee to help the Executive respond to Covid-19; and a further £918m uplift provided at the Spending Review.

The precise allocations of the £400m New Deal for Northern Ireland funds remain under development, but we are working at pace to enable an early announcement of the details which are now being finalised with colleagues in UK Government departments and in the Northern Ireland Executive. Once we have received Treasury approval for these, I will write again to the Committee to answer your questions in full.

At this stage, I can however confirm that £150m of the fund is earmarked for use to develop IT systems that enable supermarkets and other businesses to manage the new trading requirements of the Northern Ireland Protocol between Northern Ireland and Great Britain. This will be delivered by the UK Department for Environment, Food and Rural Affairs.

Yours sincerely,

A handwritten signature in black ink, reading "Madeleine Alessandri". The signature is written in a cursive, flowing style.

Madeleine Alessandri
Permanent Secretary
Northern Ireland Office