Mr Speaker,

With permission I would like to make a statement about the political situation in Northern Ireland.

As the House will be aware, yesterday Martin McGuinness submitted his resignation as deputy First Minister of Northern Ireland with effect from 5pm. This also means that the First Minister, Arlene Foster, also ceases to hold office, though she is able to carry some limited functions.

Under the terms of the Northern Ireland Act 1998 as amended by the St Andrews Agreement Act 2007 the position is clear. Should the offices of First and deputy First Minister not be filled within 7 days from Mr McGuinness’s resignation then it falls to me as Secretary of State to set a date for an Assembly election. While there is no fixed timetable in the legislation for me to do this, it needs to be within a reasonable period.

In his resignation letter Mr McGuinness said “In the available period Sinn Fein will not nominate to the position of deputy First Minister”. I am very clear that in the event of the offices not being filled I have an obligation to follow the legislation.

As things stand, therefore, an early Assembly election looks highly likely.

I should add that once an election has been held, the rules state that the Assembly must meet again within one week, with a further two week period to form a new Executive. Should this not be achieved then, as things currently stand, I am obliged to call another election.

So Right Honourable and Honourable Members should be in no doubt. The situation we face in Northern Ireland today is grave, and the Government treats it with the utmost seriousness.

It is worth reflecting for a moment on how we have reached this point.
The immediate cause of the situation we now face is the fallout from the development and operation of the Northern Ireland Renewable Heat Initiative. Under this scheme, launched by the Northern Ireland Department for Enterprise, Trade and Investment in 2012 and equivalent to a scheme in Great Britain, businesses and other non-domestic users were offered a financial incentive to install renewable heat systems on their premises.

The scheme was finally shut down to new applicants in February last year when it became clear that the lack of an upper limit on payments, unlike the GB equivalent, meant the scheme was open to serious abuse.

In recent weeks there has been sustained media focus and widespread public concern about how this situation developed. The Renewable Heating Initiative was, and remains, an entirely devolved matter in which the UK Government has no direct role.

It is primarily the responsibility of the Northern Ireland Executive and Assembly to take the necessary action to address the concerns that have been expressed about it.

But I do believe it is imperative that a comprehensive, transparent and impartial inquiry into the development and implementation of the scheme needs to be established as quickly as possible. In addition, effective action needs to be taken by the Executive and Assembly to control costs.

While the RHI might have been the catalyst for the situation we now face it has, however, exposed a number of deeper tensions in the relationship between parties in the Northern Ireland Executive.

This has led to a breakdown in the trust co-operation that is necessary for the power-sharing institutions to function effectively. Over the coming hours and days I will continue to explore whether any basis exists to resolve these issues prior to me having to fulfil my statutory duty to call an election.

I have been in regular contact with the leadership of the DUP and Sinn Fein and also with the Justice Minister, Clare Sugden, an independent Unionist. Yesterday evening I had a round of calls with the main Opposition parties at Stormont. I am in close touch with the Irish Foreign Minister, Charlie Flanagan.

Immediately after this statement I will return to Northern Ireland where I will continue to do whatever I can to find a way forward.

Both the UK and the Irish Governments will continue to provide every possible support and assistance to the Executive parties. We do, however, have to be realistic. The clock is ticking.

If there is no resolution then an election is inevitable, despite the widely held view that this election will change nothing and threaten the continuity of the devolved institutions.

Mr Speaker, over recent decades Northern Ireland’s politicians have rightly earned plaudits from across the globe for their ability to overcome differences and work together for the good of the whole community. It has required courage and risk on all sides.
We are currently in the longest period of unbroken devolved government since the 1960s. This political stability has been hard gained, and it should not be lightly thrown away. In the 14 months since the Fresh Start Agreement significant advances have been made in areas such as addressing paramilitarism, supporting shared and integrated education and putting the Executive’s finances on a sustainable footing.

This summer’s parading season passed off peacefully, and the long running dispute in North Belfast resolved.

We have also been working intensively to build the necessary consensus to bring forward the bodies to address the legacy of Northern Ireland’s past set out in the Stormont House Agreement.

I am in no doubt that what Northern Ireland needs at this time is strong and stable devolved government.

Northern Ireland deserves fair, accountable, stable and effective government.

To continue implementing the Belfast Agreement and its successors.

To strengthen the economy.

To ensure that Northern Ireland responds to the challenges and opportunities presented by EU exit.

To build a stronger, shared society in which there is respect for everyone.

And to address the legacy of the past in a way that enables Northern Ireland to move forward.

We must not put all of this at risk without every effort to resolve differences. We must continue to do all that we to continue building a brighter, more secure Northern Ireland that works for everyone.

I commend this statement to the House.