

COMMITTEE FOR THE ENVIRONMENT

Response to the Committee for Enterprise, Trade and Investment Inquiry into the potential for economic growth and job creation following reduction in corporation tax in Northern Ireland

Background

The Committee for Enterprise, Trade and Investment has announced an inquiry focussing on how the two year period before the devolution of corporation tax can be used to maximise the potential of Northern Ireland as a region to attract investment, grow the economy and create jobs. The key focus for the Committee will be on the other economic drivers Northern Ireland can influence and must have right in order to maximise its potential.

Terms of Reference

The Inquiry will examine the current position in Northern Ireland as a whole as a region for investment, economic growth and job creation in the context of a reduced rate of corporation tax from 2017. It will consider the key determinants of investment currently in place both within Northern Ireland as a whole and sub-regionally. The Inquiry will identify areas for improvement and make recommendations on how these can be addressed in both the short-term and long-term to maximise the potential of Northern Ireland as a region to attract inward investment, grow its economy and create jobs.

Specifically, the Inquiry will:

- Identify the key determinants of inward investment and economic growth which Northern Ireland must have in place in order to attract investment, grow the economy and create jobs;
- Identify the current gaps that exist in Northern Ireland in relation to the key determinants;
- Prioritise the areas for improvement to address the gaps in provision in relation to the key determinants; and
- Make recommendations for actions to be taken in order to address the prioritised gaps in provision.

The Committee for Enterprise Trade and Investment has sought responses by 12 March.

Draft response

The Committee for the Environment has suggested that the following issues may be considered relevant to this inquiry:

1. **Planning policies and practices** in Northern Ireland should be appropriately directed towards the facilitation of inward investment, particularly in terms of responding in a timely manner to applications at every stage of the process. Planners must be properly resourced to provide both proactive and reactive services to prospective investors, so that any such investors can have reasonable certainty when, and if, their planning application is likely to be successful.

Although the Committee is keen that inward investment should be facilitated where possible by DOE Planning Service, members believe that pre-application community consultation is also vital to ensure that economic considerations are not prioritised over environmental or social well-being. The Committee feels that a partnership approach from the outset will ensure the engagement of local communities and will ultimately result in a more successful – and perhaps speedier – outcome to planning applications.

2. **The quality of the environment** is also a key determinant for tourism-related inward investment. The Committee would support the preservation of areas of scenic beauty within Northern Ireland so that this resource can be maximised for tourism and other service industries which rely on landscapes unmarred by inappropriate development.

This aspect may also be a key factor for companies who are considering relocating head office functions to Northern Ireland and who wish to offer their employees an environment with attractive leisure pursuits. These will be facilitated by clean rivers and pleasant open spaces, as well as attractive city and town centres which are not characterised by dilapidated buildings and empty retail units.

3. **Energy costs** play a significant role in attracting inward investment. Although these costs are largely determined by factors outside the remit of the Environment Committee, members are concerned that the element of energy costs which relates to the subsidisation of renewables should be minimised where possible.

The Committee has just carried out an inquiry into wind energy and this issue was raised by many stakeholders. While the Committee is supportive of the Executive's Programme for Government targets in relation to renewable energy, members believe that these targets must be met as cost-effectively as possible to achieve lower energy prices for all consumers, not just investors.

4. Innovation and recycling facilities are elements which may also prove useful in preparing to attract inward investment. The Committee has seen modern waste facilities in Belgium and Germany where a wide range of waste is successfully recycled on-site without being exported, not only reducing disposal costs but also making a positive contribution to the circular economy.

The Committee is also supportive of innovative research such as that which is currently being carried out by Queen's University, Belfast, in collaboration with universities other EU states. This type of research aims to refine rather than recycle waste, so that the intrinsic elements can be reused in alternative products. The Committee believes that this will result in eventual cost savings for manufacturing industry and thus prove attractive to inward investors.