

Input to the Committee for Enterprise, Trade & Investment's Inquiry to Consider the Potential for Economic Growth and Job Creation Following Reduction in Corporation Tax in NI.

We in the 'Campaign for the Economic Regeneration of the Former Visteon Site' welcome the developments to devolve Corporation Tax to the Executive. These have the clear potential for hugely significantly positive economic impacts across the North and specifically for the former Visteon site between Blacks Road and Finaghy Road North and the wider West Belfast area. We have set out our views under each of the Committee's Terms of Reference below as well as how the new tax powers could have a significant positive impact on our local community.

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

A lower Corporation Tax rate will radically increase the attractiveness of the North as a location for business investment and in particular Foreign Direct investment or FDI.

The reduced Corporation Tax rate will also radically alter the nature and mix of FDI that can be attracted here. Historically the North has tended to attract service based cost centres, many of which have sought to locate in office accommodation in the city centre. However a reduced tax rate will be attractive to companies across a much broader range of industrial sectors and locations.

Looking at the economic success that the lower Corporation Tax rate has brought to the South, by way of comparison www.idaireland.com reveals that the Republic of Ireland has succeeded in attracting significant FDI from companies specialising in advanced manufacturing, pharmaceuticals, medical devices, life sciences, renewable technologies and research & development. For example, ROI is a location for:

- 9 of the top 10 Global Pharmaceutical Corporations;
- 9 of the top 10 Global Software companies;
- 15 of the top 20 Global Medical Technology Companies; and
- More than 50% of the world's leading Financial Services Firms.

As the experience in the South has shown, firms in these sectors do not necessarily locate in the narrow confines of Dublin City Centre – nor are they suited in many instances to standard office accommodation with many needing production or research and development facilities. These companies are often based in more peripheral areas with good connectivity such as the M50 motorway around Dublin and further afield. Now that the Executive has the power to reduce its Corporation Tax rate, there will obviously be a need for similar suitable locations for such company investments.

The South is our biggest competitor for FDI and therefore to compete effectively with them **the Executive needs to ensure that there is a wide range of attractive sites for potential investors with good connectivity.**

Identify the current gaps that exist in Northern Ireland in relation to the key determinant

There is a lack of attractive sites for potential investors with good connectivity across the North to tap into the potential FDI. It has been reported in the media that there is increasingly

constrained capacity in the Belfast City Centre, Laganside and Titanic quarters. It is obvious that a large proportion of investment has already taken place in these areas and no doubt further investment is planned. However **the Executive needs to have a wide range of sites available to meet the wide range of investors' needs**. There is no point in having reduced Corporation Tax to attract FDI and then not having anywhere for them to invest.

Prioritise the areas for improvement to address the gaps in provision in relation to the key determinants

The devolution of Corporation Tax is a one-off opportunity to significantly boost the North's economy. To enable those parts of NI which have suffered the most from underinvestment in the past, such sites should not be concentrated in central Belfast or the Titanic Quarter but across the greater Belfast area and beyond - with those sites that are well connected to the trunk road network and have good public transport links given a priority. Specifically **there is an opportunity to regenerate those areas which have poor socio-economic profiles**.

Make recommendations for actions to be taken in order to address the prioritised gaps in provision.

The Executive should move quickly to secure and develop specific sites now which have the potential not only to attract FDI but also unlock the potential to transform areas which suffer the blight of high unemployment – particularly among the young.

It is essential that the Executive grasps this opportunity in a way that helps those communities that have both suffered the most in the past and are most likely to suffer more in the future from the inevitable cuts to public services that will arise from the devolution of Corporation Tax.

Why the Visteon site?

Our Campaign believes that West Belfast needs to be able to take advantage of this seismic and fundamental change in economic development policy. The former Visteon site given its scale, prominence, and connectivity to the M1 and via that, to air and sea ports presents an ideal opportunity for this area that must be preserved.

West Belfast consistently has the highest rate of unemployment, highest rate of social deprivation, highest rate of child poverty and lowest rates of Invest NI investment across the North. These depressing statistics are a sad indictment and a direct product of the lack of investment in long term sustainable jobs in West Belfast over many years. Continued austerity budget cuts to Government Departments, implementation of Welfare Reform, 20,000 public sector job cuts and further cuts in public spending to devolve Corporation Tax are likely to compound existing high rates of unemployment, social deprivation and child poverty in West Belfast over the coming years. Therefore it is absolutely essential that the potential, which the Visteon Site has to bring much needed long term employment into the area, is grasped with both hands.

This significant site comprises a former manufacturing facility associated with Ford Motor Company of c 300,000 square feet on c 22 acres that was previously crucial to our local economy supporting 1,400 jobs in the 1980s and 600 jobs in more recent times. The site is unique in this part of the city and its clear potential for economic development and job creation must be retained.

Connectivity

The site enjoys excellent network connections. Access to and from Belfast via the M1 can be gained within one minute's drive. This is more attractive to businesses wishing to access markets to the south and west of Belfast and beyond, than the other side/far side of Belfast. The site's connectivity, size and location near existing Boucher Road and Kennedy Way businesses also ideally suits the clustering needs of enterprises, such as the proximity to competitors, advisers and suppliers.

This site is extremely prominent and visible to the tens of thousands of commuters and tourists who use the M1 to commute to and from Belfast. The potential for direct advertising to capture new customers and markets is obvious.

Direct access to the motorway, should this be desired, could easily be accommodated at this substantial site. By way of illustration a new direct access road is currently being developed on the country bound side of the M1 between Belfast and Lisburn to facilitate another commercial development.

Besides the excellent access to the M1 the site is also serviced by very good public transport links with nearby train halts at Dunmurry and Finaghy with bus services on both Finaghy Road North and Blacks Road. This stands to be further enhanced by the proposed rapid transit system in West Belfast.

Suitability for generating employment

We are emerging from the worst global recession in modern history with economic growth of as much as 2.9% predicted for the next year. The economy is returning to growth and West Belfast needs to retain the potential to compete for and exploit the opportunities that the recovery will bring and avoid the easy put down of the past – the lack or absence of suitable sites for economic regeneration.

It will be to the long lasting detriment to this part of the city and the wider area if we fail to recognise the huge opportunities there are in other sectors such as advanced manufacturing, renewables and research to mention a few. We can point to Almac in Craigavon, one of the North's leading companies, or more closely to home, Delta Print & Packaging which is going from strength to strength.

Crucially businesses and investors need a suitable location, and this site must be retained to maximise economic benefit for the whole community.

Options for the site could include a mix of employment opportunities such as business park development, factory, office space, leisure, tourism, public sector/private sector relocation. Given the size and location of the site all of the key drivers for economic development which have the greatest potential for economic growth could be located here. With political will the site could be transformed into a modern economic hub that could incorporate industries such as Telecommunications & ICT, Life & Health Sciences, Agrifood, Advanced Materials and Advanced Engineering. Given the shortage of Grade A office accommodation, there is potential here also.

If Belfast and particular West Belfast is to compete for FDI, then a range of sites needs to be developed across the city and the Visteon site would not only meet this need but provide a wide

range of long term employment opportunities for the young people and unemployed in West Belfast for many years to come.

Current position

Fold Housing Association currently has a planning application for housing on the site with a minimal business element of around 5% of the site's area. The overwhelming weight of local community opinion is against Fold's proposals with over 800 objections to date. It has already been set out in detail for Planning Service where Fold's application does not comply with relevant Planning Policy – in particular where the proposed economic development is not 'significant' as set out in PED 7 of PPS 4. In our most recent meeting with Planning Service they also agreed with our Campaign's assessment that Fold's proposed commercial/business element for the site was not 'significant'.

DETI's View

With reference to the proposal, economic use on the site and proposed economic zoning through BMAP, the **DETI Minister** confirmed in response to a question put to her at the NI Assembly on 20 January 2014 that:

*"The situation with land that is zoned for economic development is this, and Invest NI is very clear on the issue... and this is what we will be saying to the Minister of the Environment, the planning department ... we are generally **opposed to the loss of land that is being used, or was last used, for industry to non-industrial users.**"*

The position of DETI is clear in this case. Invest NI confirmed this position in its consultee response to Fold's planning application when it stated *"In line with its stance at dBMAP, **Invest NI remains generally opposed to the loss of land that is being used, or was last used, for industry...**"*

Conclusion

If Fold's housing application is approved for the site, the last major strategically important brownfield site in West Belfast to create a lasting legacy of long term jobs for this area will be permanently lost. Over the past 18 months there has been a growing momentum among the local community to ensure that this does not happen. The Corporation Tax announcement now provides the economic tools to help deliver this legacy.

A key determinant of inward investment and economic growth for the Executive is having a wide range of commercial sites to attract investors, grow the economy and create jobs. The former Visteon site's size and location has the clear potential to meet such criteria and provide a wide range of sustainable employment opportunities for the young people and unemployed in West Belfast for many years to come.

This site was once a major employer. It can once again be brought to life as a major employment hub and provide long term jobs for the people of this part of Belfast.

Campaign for the Economic Regeneration of the Former Visteon Site

<http://www.econregenfv.co.uk/>

February 2015