

Brendan Hegarty Chief Executive

Your Ref:

Our Ref:

Date: 11 March 2015

Being dealt with by: Alison McCullagh

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**Fermanagh & Omagh
District Council**

**Comhairle Ceantair
Fhear Manach agus na hÓmaí**

Mr Jim McManus

Clerk to the Committee for Enterprise, Trade and Investment

Northern Ireland Assembly

Room 375, Parliament Buildings

Ballymiscaw

Stormont

BELFAST

BT4 3XX

Dear Mr McManus

Fermanagh and Omagh District Council welcomes the opportunity to respond to the Committee for Enterprise, Trade and Investment's inquiry into growing the economy and creating jobs within a lower corporation tax regime.

As Committee Members may be aware, Fermanagh and Omagh District Council covers the largest geographic area of the new Councils, but has the smallest population. In terms of business and economic enterprise, our Council area has a particular concentration of micro and small businesses which complement the activity of larger scale employers and industry. Given the reliance of the Northern Ireland economy on micro and SMEs, the Council would recommend that consideration is given to providing specific supports to this sector, to alleviate any new burdens which may arise as a result of a reduction in corporation tax.

The Council is concerned that to date, the apparent focus on the devolution of corporation tax to the Assembly, is that city regions, most notably Belfast will benefit. Fermanagh and Omagh District Council would wish to ensure that there is a formal Assembly commitment to balanced economic and regional development resulting from a lower corporation tax regime. The Council would therefore recommend that formal, binding commitments are put in place to ensure all areas of Northern Ireland can benefit equally from any reduction in corporation tax.

Specifically, the Council would propose that the Committee seeks to secure an Executive commitment that it will work to ensure an equal spread of jobs as a result of any reduction in corporation tax.

No consideration seems to have been given to rural areas and there is uncertainty as to whether the initiative has been rural proofed. Due to the critical mass of the companies which are most likely to benefit from a reduced corporation tax, there is a greater likelihood that they will choose not to invest in rural areas, and as such, there is an ongoing potential that a reduction in corporation tax will have an adverse impact on rural areas. The

Committee should seek to ensure that a specific action plan to assist rural areas benefit from any reduction in corporation tax is put in place.

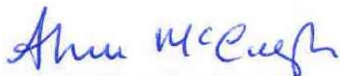
The Council would wish to highlight its border location and notes the potential for this location to be favourable to investors. The potential of enterprise zones across Northern Ireland and including the border area, was previously highlighted, and it may be timely to reconsider this in the context of a reduced corporation tax environment.

The Committee has also requested that consideration be given to the key drivers for economic growth and has specifically referenced the Telecommunications and ICT sector. Regrettably, and in spite of previous assurances, the Fermanagh and Omagh District Council area does not enjoy appropriate telecommunications or ICT infrastructure, with large sections of the district unable to avail of broadband or even secure a reliable mobile phone signal. If the Committee and the Assembly are serious about promoting economic growth and investment, it must ensure that all areas have the same access to the required telecommunications and ICT infrastructure.

The Council would therefore recommend that the Committee seeks a formal update from the Executive as to how the infrastructure deficit in the Fermanagh and Omagh area will be addressed to enable our district to become more attractive to investors and therefore benefit from a reduction in corporation tax.

Fermanagh and Omagh District Council trusts the Committee will take these comments into account in its deliberations. The Council is also willing to provide further information or evidence if required.

Yours sincerely



Alison McCullagh
Director of Regeneration and Planning



