

Response to

**Northern Ireland Executive's Consultation
Draft Outcomes Framework 2021**

Submitted by



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Introduction

Trade NI welcomes the opportunity to respond to the Northern Ireland Executive's Consultation on its draft Outcomes Framework 2021. We are delighted that the government is taking a 'co-design' approach to developing the future Programme for Government, and look forward to playing our part in supporting its development both this year and in the future.

Who we are

TradeNI is an alliance made up of the three largest sectors of industry and the majority of businesses in Northern Ireland - **Hospitality Ulster, Manufacturing NI and RetailNI**. Together we represent thousands of businesses across Northern Ireland employing tens of thousands of people. Our aim is to inform politicians and key influencers to understand Northern Ireland's economic needs and help to reform the policies that are holding us back in our growth.

Why Our Trade Alliance Matters

Together the sectors we represent play a critical role in the Northern Ireland economy. **The Manufacturing, Retail/Wholesale and Hospitality sectors are Northern Ireland's largest private sector employers, together employing 260,000 people, which is a third of all jobs across Northern Ireland and nearly half (46%) of all private sector jobs here. These sectors generate £42bn in turnover annually adding over £10bn in value-added (GVA) to the Northern Ireland economy¹.** This means that our 3 sectors accounted for three-fifths of business turnover in Northern Ireland and 44% of value-added to the Northern Ireland economy in 2018 alone. Our business reach is extensive; accounting for an estimated 18,000 VAT/PAYE registered businesses, which is around 25% of Northern Ireland's business base. One in 3 new businesses started in 2019 were in the Manufacturing, Retail/Wholesale and Hospitality sectors and over 45% of high growth businesses² in that same year were attributed to these sectors.

These businesses reach across all parts of Northern Ireland, trading in both urban and rural locations. Collectively, they have a significant economic and social role to play in the revitalisation of our villages, towns and cities in a post COVID environment, driving local supply chains for goods and services, securing jobs and livelihoods. These businesses will be best placed to react to, and adapt quickly to, the "new normal" of how we live, work and socialise. They will shape local distinctiveness and add to the attractiveness of place in terms of visitors, tourism and investment. Our businesses help to create and support that sense of community across Northern Ireland and provide a new shared identity and a strong sense of place.

¹ NISRA NI Annual Business Inquiry

² NISRA Business Demography Statistics, 2019. High growth (for the purpose of this publication) measures businesses, which had at least 10 employees in 2016 that had an average growth in employment of greater than 20% per year between 2016 to 2019.

VISION 2030 - Our Vision for Northern Ireland

Our vision for Northern Ireland is clear. It is about delivering sustainable economic growth in this region and increase our contribution to the national budget. We want to create the conditions for a competitive, self-sustaining and thriving Northern Ireland economy which is focused on inclusive growth and an environment that is supportive to doing business and expanding our global reach. Our vision is supported by four key priorities:

- A **sustainable economy** where growth is stimulated by **enhanced productivity** resulting from investment in education and skills, supported by responsible consumption and production
- A **competitive economy** that provides a uniquely supportive environment for doing business
- A **global economy** that is visible and attractive to the outside world with an infrastructure which supports local, national and international connectivity
- An economy supported by **revitalised communities** where people want to live, work and visit

Our Key Priorities



We have attached a copy of our VISION 2030, a Ten Year Prosperity Plan for Northern Ireland. Our VISION 2030 was developed just before the COVID-19 pandemic struck and the detail on how Northern Ireland/the UK would exit from the EU. In spite of these monumental challenges, the detail of our VISION still holds, because of the longer-term view that we have taken in what is needed to create a sustainable, competitive and global economy that works to revitalise communities across all parts of this region.

We would draw your attention to a number of actions that we believe are needed to help Northern Ireland to deliver on these priorities. It is our view that these should form a critical part of the delivery mechanism to support the next iteration of the Programme for Government. We will, over the course of the next 12 months, be reviewing and updating these to take into account the seismic shift in economic outlook and consumer trends as a result of the COVID-19 pandemic and Brexit challenges. These are:

- Support and incentivisation towards a reduction of production costs through renewable energy schemes
- A Green Rate Relief Scheme to incentivise business to invest in green technology
- Intelligent import substitution – of particular relevance now with EU Exit
- Reform of the Apprenticeship Levy as an immediate priority with funding allocation towards sectoral learning networks
- A new 14 to 19 year old Vocational Education Strategy
- A training model of excellence to support the delivery of enterprise-led training
- A complete review of business taxes, reliefs and credits (including business rates, VAT, online sale tax) to find a more equitable approach to business taxation that incentivises local, organic growth and sustainable investment and innovation
- Urgent progress on major infrastructure projects including the York Street Interchange, North-South Interconnector and upgrade of rail network, particularly Belfast to Dublin along with the continued roll out of 100% superfast broadband and a more concerted effort to improve rural broadband coverage
- Abolition of Air Passenger Duty
- An explicit Tourism Deal for Northern Ireland
- Creation of strategically located Enterprise Zones to stimulate economic activity by giving businesses as much freedom as possible in which to operate
- Development of a Rural Business Strategy including a focus on rural transport and investment
- Establishment of Town Centre Incubator Hubs including Retail to encourage start-ups complementing the work of the NI Executive's High Street Task Force
- A stronger drive in the use of digital technologies to support business, town centres, rural areas and connectivity more widely

This longer-term view would also be welcome in the Programme for Government, particularly amidst concerns around the constraints posed by the lack of multi-annual budget for Northern Ireland, a matter that does need addressed to support proper planning going forward.

TradeNI Views of the draft Outcomes Framework

While we welcome this consultation into the draft Outcomes for the Programme for Government, TradeNI does not believe that the draft Outcomes place sufficient emphasis on business and its role in supporting and delivering on these outcomes. Outcomes such as *'Everyone can reach their potential'* and *'Our economy is globally competitive, regionally balances and carbon neutral'* will need the support and investment by the business community to deliver on. Key themes around increased sustainability and the goal of net zero carbon emissions, creating a regionally balanced economy and better jobs will need business input. Despite this, scant reference is made to the importance of business in delivering on these priorities. We have set out our Vision above and believe that our four key priorities could be merged to develop an Outcome that supports the delivery of ***'A competitive, sustainable and outwardly focused economy that provides a uniquely supportive environment for doing business across Northern Ireland'***. A better business environment should be an explicit outcome in this PfG.

The Green growth agenda will play a major part in delivering across almost all aspects of the Programme for Government. We therefore believe that this should be a crosscutting theme across all government departments in Northern Ireland and not just those that are referenced in the consultation document. Emerging programmes such as the Circular Economy will also be important here. The Department for Health and the Department for Communities, for example, should also support actions related to the Green Growth agenda in supporting outcomes of relevance to them. Similarly on skills and attainment and better jobs, all Departments have a responsibility to make sure that their actions support the delivery of these priority areas.

This leads on to the need to make sure that this Programme for Government does not reinforce the 'silo' mentality in how government departments think and work. We appreciate the emphasis on an outcomes-based approach which focuses on ensuring that Departments think more widely than their own confines. However, we would suggest that there is still a need for much greater cohesion and co-operation at a cross-Departmental level than has been our experience and the experience of our members to date, even given an increased focus on this way of working in the last draft Programme for Government. It is critically important that Departments, Arms Length Bodies and others including our own representative bodies and members work together to ensure that this approach is much more embedded in the delivery structure for the next Programme for Government going forward. The delivery mechanism needs to be much more clearly thought out and articulated.

We would stress how important it will be that the new PfG will be maintained in a "live" format with *'work plans being continually evaluated and adjusted to ensure they are achieving the desired impact'*. What the last year has taught us is that flexibility and speed to react to changing circumstances is critical. Our sectors particularly have and continue to suffer from the fall-out from the COVID-19 pandemic and now we are being hit with the additional impacts brought about by

EU Exit. The Programme for Government has to have an inbuilt mechanism to introduce new actions quickly to react to those changing circumstances.

TradeNI are here to help and support

TradeNI wants to work in new ways and beyond traditional boundaries, reaching out to all key stakeholders with a vested interest in making Northern Ireland work better as a society and an economy. We would welcome the opportunity to contribute further in the development of the Programme for Government and would stress that the strength of cross collaboration between the public, private and thirds sectors will be the key to making the Programme for Government a success. This also includes the need for strong collaboration with Westminster to ensure that national policies support and complement regional policies. It is critical that all aspects of policy work together in a supportive and constructive way.

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