



**Ulster Unionist Party Response to the Draft Investment
Strategy for Northern Ireland 2011-21**

Introduction

The draft Investment Strategy was published in November 2011 alongside the draft Economic Strategy and the draft Programme for Government. The Ulster Unionist Party recognises the importance of the Investment Strategy in setting the agenda for capital investment in public services over the next ten years. It is vital that we set out aspirational plans for the Northern Ireland infrastructure and through our devolved government we have the opportunity to do so in a strategic, long term manner.

Priorities

We are pleased that the priorities for the next phase of the Investment Strategy reflect the five Executive priorities contained within the draft Programme for Government as this promotes joined up government and a common sense approach. We have long called for the Programme for Government, Economic Strategy and Investment Strategy to be brought alongside the Budget in order to facilitate a degree of harmony between these interdependent documents.

The five priorities:

Supporting economic recovery and growth – investment has a crucial role to play in the recovery and growth of the Northern Ireland economy over the next ten years. We are pleased to see the construction industry specifically mentioned, however, this does not equate to the draft Economic Strategy where construction is not included as a key area in the drive to rebuild and rebalance the economy. We also welcome specific mention of targeting the costs of doing business here. The Ulster Unionist Party has been consistent in our calls for reductions in bureaucracy, red tape and administrative regulations which often hinder SME's.

Maximising the social benefits of investment – the introduction of 'social clauses' into contracts for major public works is a positive step as is the focus on investment in culture, arts, leisure, libraries and sport and the contribution each makes to the economy. However, the Ulster Unionist Party is concerned at the absence of recognition given to the value which the social enterprises and the 'Third Sector' can bring to the economy.

Investing to create opportunities and tackle disadvantage – we are satisfied that both urban centres as well as rural communities are highlighted under this priority as it is essential that both are invested in. Investment is also crucial in order to tackle sectarianism and racism and promote equality of opportunity and the desirability of good relations. This is notable in its absence in the draft Investment Strategy.

Delivering high quality and efficient public services – this is a crucial area considering the budget reductions that we are currently facing over this CSR period. We must ensure that frontline services remain protected and we are providing adequate facilities for the people of Northern Ireland in important areas such as health, education and roads infrastructure. The focus on finding efficiencies is welcome and the Ulster Unionist Party would like to see the publication of the comprehensive and up to date information on the entire public sector estate with a view to rationalisation taking place.

Co-location of services is an important aspect of this with a relevant example being the various Commissions moving into Equality House, Belfast.

Protecting our people and the environment – Climate change is already having a tangible impact in Northern Ireland with air temperatures rising and winters getting wetter. Of course these side effects are only minor compared to what is happening in other parts of the world. By taking relatively small decisions the Executive could grasp the significant opportunities offered by industries such as renewable energy and a more localised food market. The Green New Deal, which originally received cross Party support, detailed the possibility of creating 20,000 jobs within a new low-carbon economy however it has since been put on the back foot. The economic costs of failing to tackle climate change are great while the economic benefits of cutting emissions are obvious to see.

Investment Allocations

Capital expenditure will be cut by around 40% by 2014/15 due to the budget reductions within the CSR and this is the context in which we must view the investment allocations within the draft Investment Strategy.

The funding which is outlined for the first four years is consistent with the figures published in the Budget. The Ulster Unionist Party opposed this budget for a number of reasons including a lack of clarification around the substantial money to be raised from Housing Executive reserves and Belfast Port.

The final document must be updated to take into account the decisions made by the Ulster Unionist DRD Minister, Danny Kennedy, following the announcement of the Irish Government of the withdrawal of the majority of their funding for the A5/A8 project.

Danny Kennedy has since been able to announce £490 million worth of investment in Northern Ireland's roads infrastructure. In the east of the Province work can now commence on the A2 and improve journey times on this route, and work on the A8 will also begin which will improve journeys to the Port of Larne and enhance the road's status as part of the Trans European Road Network. This amounts to an investment of some £150 million. Two sections of the A5 will also be upgraded at a cost of nearly £310 million which has the potential to create in the region of 2,500 jobs.

Investment by Key Sectors

The Ulster Unionist Party believes that identifying key sectors for investment is the most pragmatic way forward, especially due to the reductions in capital spending which the Executive is facing:

In general, we support the high level of investment in networks due to the jobs this will create and the economic growth which an improved infrastructure will bring to the Northern Ireland economy.

Given that there are currently 61,500 people claiming unemployment related benefits and the level of youth unemployment has soared by around 155% since 2008, it is essential that we invest in skills. We want to see adequate provision made for our Further and Higher Education institutions and the

capital grant funding scheme will certainly aid our Universities in that respect. In light of Northern Ireland receiving confirmation of a net addition of £26.5 million over a three year period from 2012/13 due to the Barnett consequential arising from the Coalition Government's £1 billion 'Youth Contract' initiative, we believe this should be invested into providing skills training for our young people. Given recent library closures it is essential that mobile libraries are provided, especially in rural areas, and we would also welcome the commitment to renew planned investment in libraries beyond the current budget period (2016-2021).

During the last assembly mandate the Ulster Unionist Party consistently called for more investment in the health service. We were pleased to see this finally forthcoming with the recent announcement of more than £28 million to be spent on the Altnagelvin Hospital in Londonderry and £60 million going to the new Omagh Hospital and the Ulster Hospital.

Investment in social infrastructure is essential given the specific issues arising from welfare reform as well as the need for more social and affordable homes in Northern Ireland. Improvements in our built environment in areas such as museums, sports, arts and fisheries are also fundamental for the creation of jobs in these areas and increasing visitor numbers as well as revenue from tourism. The Ulster Unionist Party also supports the on-going work in relation to the 'One City, One Plan, One Voice' Plan and the Ebrington Parade Ground, both in Londonderry.

We recognise the amount of work which is on-going in Northern Ireland with regard to the environment. It is our view that we must act as stewards of the environment and the draft Investment Strategy rightly takes account of the responsibility to current and future generations to protect and enhance our environment. We take cognisance of the fact that water and waste water infrastructure in particular needs substantial improvement through continued investment.

The Executive must ensure that investment is targeted in a way which leads to an economy which is productive through growing the private sector whilst making the public sector as efficient as possible. Invest NI obviously has a role to play in this and they need to work to their full capacity, something which is not currently happening given that they have handed back £39.1 million in the previous two monitoring rounds. The Ulster Unionist Party realise the significance of the five signature projects (Titanic, Causeway Coast and Glens, Saint Patrick and the Christian Heritage, the Walled City of Londonderry, Mourne) and we will continue to support the work which is being taken forward within each of these projects.

The devolution of policing and justice means we now have the ability to plan investment within this Department taking a more long term approach. With the recent reports by the Prison Review Team and the Youth Justice Review Team there is work to be done around the redevelopment and modernisation of the prison estate. The new joint services training college has been on the agenda for some time and is imminent and we would ideally like to see local suppliers and contractors employed to carry out this work. A rationalisation of the court estate is also being undertaken and details of what savings this will bring should be clarified.

Conclusion

The Ulster Unionist Party welcomes the publication of the draft Investment Strategy and we are broadly supportive of the priorities and key sectors which have been outlined. We will continue to monitor spending on the areas outlined as this Assembly mandate progresses.