

National Development Plan

2021-2030



Q4 2021 Newsletter

Welcome to the latest issue of our quarterly newsletter, which keeps you up to date with the latest news and insights from Crowe.

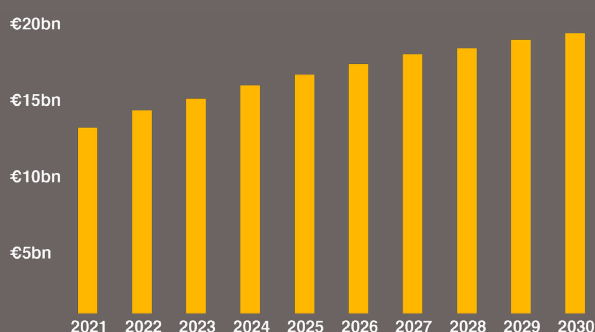
In this issue we reflect on the €165bn National Development Plan 2021-2030 (NDP), which is the largest and greenest ever in the history of the State. We welcome the announcement of this ambitious plan, which comes as the country grapples with challenges in housing and healthcare, as well as the impact of COVID-19, Brexit and the climate emergency.

The plan sets out the framework and broad direction for investment priorities to 2030 and is a key pillar of the Project Ireland 2040 initiative, the government's long-term overarching strategy to make Ireland a better country for all.

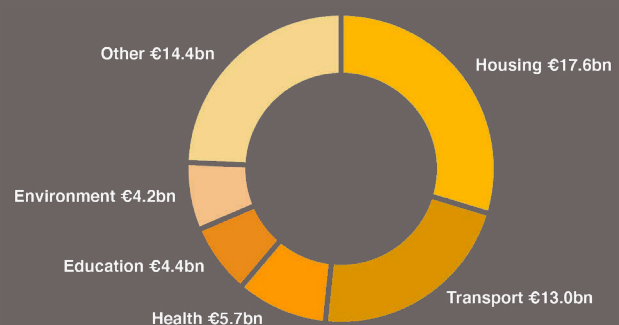
The NDP recognises the transformative benefits to the economy, employment and regional growth of targeted capital investment. It is set against the backdrop of very significant population growth for the country, with over 1m additional people forecast to be living in the country by 2040 compared with 2016. To address this in the area of housing alone, the plan promises to support construction of an average of 33,000 homes per annum to 2030.

The revised plan pledges to invest 5% of GNI*, well above the EU average of 3% of GDP. Approximately 80% of the expenditure will be funded from the Exchequer, with a further 20% coming from State-backed enterprises and bodies. Over the first five years, expenditure of €59bn is identified. This is concentrated in the priority areas of housing, transport, health, education and climate, which account for 75% of the overall expenditure.

Total Investment 2021 - 2030



Breakdown of 2021 expenditure



The National Development Plan provides an opportunity to imagine a better, more sustainable future. In the process, it presents new opportunities and challenges for Irish businesses across the country.

In this issue we explore a number of themes including the housing agenda, investment in tourism infrastructure, governance in managing public sector projects and the tax considerations for international investment in Irish public private projects.

We are living in a time of enormous change. To discuss what change means for your business and how Crowe can support you by providing the right tailored financial and business advice, please contact a member of our team today.

Finally, as we approach the end of the year, I would like to wish you a safe and happy Christmas and I hope we will get a chance to see you soon in the New Year.

Naoise Cosgrove, Managing Partner



NDP investment in hospitality and tourism

The tourism industry is of vital importance to the Irish economy, contributing to widespread regional employment. Prior to the impact of COVID-19, tourism accounted for 260,000 jobs in Ireland, equivalent to one in every nine jobs. The sector generated revenue of c. €8bn annually and contributed €1.8bn to the Exchequer.

While the pandemic has had a devastating impact on the sector, it is resilient and will rebound. It is critical that Government and industry stakeholders invest in targeted infrastructure to ensure that Ireland remains attractive from a tourism perspective and captures a growing share of international visitors.

We welcome the announcement of the €165bn NDP, which is the largest and greenest ever in the history of the State. The plan sets out the framework and broad direction for investment priorities to 2030. It recognises the value of tourism within Ireland and in particular its contribution to the sustainability of cities, towns, villages and rural areas around the country.

In this article we examine the investment priorities identified in the NDP. The key tourism-related components of the plan are aimed at continuing to deliver on the commitments set out in the Linking People and Places plan for capital investment in transport, tourism and sport 2018-2027. The plan has strategic importance for both international and domestic tourism. [Read more](#)

Tax and international investment in Irish PPP projects

Recent times have seen substantial changes to the way that international companies are taxed generally. Many of these changes have either been or soon will be implemented in Ireland. However, Ireland remains an attractive location in which to do business, due to the business-friendly environment created by Government, the clear guidance provided by the Irish tax authorities on the interpretation of these new tax rules, and the continuing low corporate tax rate applicable for businesses.

In respect of the rules that apply to Public Private Partnership (PPP) projects, the Irish tax authorities have issued guidance on how income earned by participants in projects will be taxed and the deductibility rules for costs incurred.

Given the publication of the Ireland National Development Plan 2021-2030, it is anticipated that Revenue will update their guidance on the taxation of PPP projects and remove any uncertainties that have been encountered heretofore.

In this article we outline some of the key considerations for international companies considering participating in PPP projects. [Read more](#)



Key governance considerations for managing public sector capital projects

Managing public investment is complex and can require considerable skill in dealing with stakeholder interests. There is no set of magic solutions, as every project is different, and there is considerable guidance available in terms of published documentation and expert support from consultants.

In this article, Crowe partner Shane McQuillan, who leads our consulting team, shares his personal insight from over 30 years' experience working on

public sector projects of the importance of a balanced and considered approach that an external advisor can bring to managing public sector capital projects.

Shane outlines the key ingredients required to develop and manage successful capital projects as being:

1. Governance
2. Project management
3. Business case
4. Expert involvement
5. Detailed reporting
6. Transparency

[Read his full article on our website.](#)

National Development Plan: Investment in social housing

The NDP will support the largest public housing programme in the history of the state. The overall plan identified funding of €165bn over the next 10 years. The funding allocated to housing in the first five years of the plan accounts for almost 30% of all investment expenditure at €17.6bn. The scale of this investment demonstrates the challenges facing the housing sector and the acute need for investment.

The NDP reinforces the critical goals laid out in the government's Housing for All strategy, which was launched in September 2021.

With Ireland's population forecast to grow by over 1m in the period from 2016 to 2040, there is a need to accommodate around 600,000 new households by 2040. To achieve this the Department of Housing plans to deliver almost 400,000 new homes in Ireland between 2020 and 2031. This is equivalent to 33,000 new homes per annum. The scale of the task is evident when set against a backdrop of actual new home completions of c. 20,500 in 2020.

The National Planning Framework targets growth in our city population by a minimum of 28% by 2040. Minimum growth of 50% is anticipated in each of Cork, Galway, Limerick and Waterford.

In this article we outline the key strategic pillars to supporting housing development in the NDP. [Read more](#)



Small Company Administrative Rescue Process (SCARP)

For many small and micro businesses facing into an uncertain future after the pandemic, wondering what their next move is, SCARP may be the rescue option they need.

A Small Company Administrative Rescue Process (SCARP) is a formal restructuring option for SMEs that enables a company to restructure its balance sheet and write off a proportion of its debts. A SCARP provides a low-cost alternative to examinership as it is designed to be quicker and involves less court oversight.

The SCARP process is aimed at companies that meet two of the following three criteria:




1. Turnover does not exceed €12m
2. Balance sheet does not exceed €6m
3. Less than 50 employees



These companies must be unable or likely to be unable to pay debts and have not used the examinership process (or SCARP) in the previous five years.

Among the key attractions of the process is its relative simplicity and straightforward nature. In this article our restructuring and insolvency team provide an overview of the different stages involved with a SCARP. [Read more](#)

News roundup



-  [Crowe advises Orpea Group on further care home acquisitions](#)
-  [Crowe advises Compass Informatics on acquisition of Icon Group](#)
-  [Crowe releases 2020 Hotel Industry Survey](#)

-  [Overview of current and potential insolvency landscape](#)
-  [Tax warehousing and the danger of deferred debt in your business](#)



Firm news: Raising money for Depaul and Focus Ireland

Our staff may be working remotely, but our staff-run Community Impact Committee has been busy bringing us all together to help those less fortunate than us. With the homeless crisis in Ireland at one of its worst ever points, staff have been busy fundraising. In October, our CSR committee organised a raffle, raising over €1,600 from Crowe staff to donate to Focus Ireland.

Normally every December Crowe staff participate in Depaul's Presents for All Christmas appeal. Due to Covid-19 we are unable to participate fully this year and instead our staff are fundraising with a matching donation from the firm. If you would like to donate to support the vital work Depaul do, visit our [donation page](#) or find out more by visiting their [website](#).

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