Northern Ireland Assembly

Committee for Finance and Personnel

OFFICIAL REPORT (Hansard)

Corporation Tax: Ministerial Briefing

3 October 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:
Mr Daithí McKay (Chairperson)
Mr Dominic Bradley (Deputy Chairperson)
Mr Roy Beggs
Mrs Judith Cochrane
Mr Leslie Cree
Ms Megan Fearon
Mr Paul Girvan
Mr David McIlveen
Mr Mitchel McLaughlin
Mr Adrian McQuillan

Witnesses:

Mr Sammy Wilson	The Minister of Finance and Personnel
Mr Bill Pauley	Department of Finance and Personnel

The Chairperson: Background information is included in members' packs.

Mr Wilson (The Minister of Finance and Personnel): I thank the Committee for the interest that it has shown in this matter. It has gone on for a long time; it is a long saga. It is not entirely within the grasp of the Executive to push the pace of this. We are working with the Treasury, and it has been very difficult, sometimes, to get to the position we want. I believe that we are coming to a critical stage now, and we must get a decision one way or the other in the autumn. We remain committed to getting corporation tax devolved, though it has to be on a fair basis, as I will explain.

The issue has been considered by the joint working group, which comprises the Exchequer Secretary to the Treasury, the Secretary of State and Northern Ireland Ministers, since the start of the year. Progress has been made in most areas, and we have looked at a lot of the practical issues. At the moment, the overall initial cost is likely to be between £350 million and £400 million. Then, with the escalator — the formula that the Treasury wishes to apply to what happens in subsequent years — the cost is likely to go up to £700 million, on Treasury figures, by 2030. I do not believe that those figures are fair, reasonable or affordable. At the end of the day, a political judgement will have to be made as to what is a fair figure to devolve corporation tax at. We are making very strong arguments that there is no point in hampering Northern Ireland with a financial burden that counters any of the possible positive impacts of the devolution of corporation tax.

Over the summer, a lot of work has gone on to try to get an agreed approach to reduce the cost, while also meeting the requirements of the Treasury, and, of course, do not forget that we must also meet the requirements of Europe, with the Azores judgement. There is no point in the Treasury saying, "OK, we really want to help you out and we will give you this at a hugely reduced cost", when Europe will say that it does not comply with the Azores judgement. The thing would then be struck down, or, worse still, three or four years down the road, fines will be imposed by Europe. All those things have to be balanced out.

I suppose that the key point is that I think it is possible to reach an agreement, but it will depend upon flexibility being shown by the Exchequer Secretary and by the new Secretary of State. I was critical of the previous Secretary of State, in that I believed that he was far too willing to endorse the Treasury's line on this issue. That was something that we did not expect, because he was so keen on rebalancing the economy in Northern Ireland and yet, at the same stage, he was backing a line that would have made it very difficult for us to do that. I met the new Secretary of State, as has the First Minister, and Arlene has met her as well. I think that she will be helpful in many of these economic issues and, hopefully, will be supportive when it comes to the working group meeting on 18 October.

The Chairperson: At the time of the FG Wilson announcement, I listened to Alastair Hamilton of Invest NI when he was on 'The Stephen Nolan Show'. He was refreshingly optimistic on corporation tax; much more so than you. That was good. I am concerned that 18 October seems to be the crunch date, and that a political decision needs to be made one way or the other by Christmas. If it results in a negative conclusion, does it really have to be game over for corporation tax by Christmas? Can we not continue to push the issue given the crucial importance that it has in respect of foreign direct investment (FDI)?

Mr Wilson: I do not see 18 October as a crunch date. On 18 October, we will either agree a report or have a report that has two views expressed in it: the Treasury view and our view. After that, as I see it, there will have to be much higher level negotiations with the Prime Minister, Deputy Prime Minister and Chancellor. At that stage, a political judgement has to be made; there will be the Treasury arguments, costings and view on the issue and the Northern Ireland Government's view on the issue. At that stage, the political arguments come into play about where the middle ground is so that we can get the devolution agreed.

We have not considered in the working group — it really is not within our remit — the other factor that is sitting in the room: the whole issue of the debate and referendum on Scottish independence. That will be a big factor, I am sure, in any of the things. The argument that I would make politically — there will be some discussion on that as well — is that, if the Government wish to take some of the wind out of the Scottish nationalists' sails, the devolution of corporation tax to Northern Ireland could be one of the methods that they use. The argument that Scotland is making at the moment is that Westminster wants to hold on to everything; the only way to get free of that is to go for independence. If the Westminster Government say, "No. We are prepared to develop devolution and to give additional devolved powers. Indeed, look at Northern Ireland: they came and made a strong economic case. We do not normally devolve a major tax like this, but we did because the case was made." The Government can make a virtue out of it when it comes to the Scottish referendum debate. Those are the kinds of arguments that we have to engage in after 18 October. I do not see it as being the crunch date on which we make a decision; I see it as where we have to draw a line under the endless talk that there has been about this cost, that cost and how it all mounts up. We have agreed on a lot of things: the legislative means, the way in which it would be administered, etc. If there is a divergence on some of the costs, we will be honest about that, and we will let it become a political judgement that is made at a higher level.

The Chairperson: What about the view of some economists, such as Neil Gibson, who provided evidence and said that there should be two negotiations: you should separate the transfer of the power and the cost of reducing the rate. Is that an option that we should look at as well? The transfer of the powers will also influence the position on FDI.

Mr Wilson: It would not, because, in itself, the transfer of the powers is meaningless unless firms know what the implications of the transfer of the powers will be for them, their bottom line and the tax that they have to pay. To have the powers transferred in a vacuum without having any idea of what the costs would be would still leave us in the same quandary because, after all of that, we would still have to fight with the Treasury about what the cost would be. As an Administration, we would not be able to make any decision on those transferred powers until we knew what the costs were going to be. In fact, I could see that becoming politically even more difficult because people would be saying that we had the power and were not doing anything with it. We would be arguing that we were not doing anything with the power because we did not know what the implications were for doing so. It has to come as a package rather than us simply getting the power transferred and still having to go through the wrangling over the costs.

Mr Girvan: Thank you, Minister. I am one who believes that devolving the power to set corporation tax is one of the tools in the box to try to kick into gear and restart our economy and keep it going forward. However, figures are being mentioned by the Treasury that it will cost £300 million or £400 million, rising to £700 million by 2030, and we cannot get accurate figures. We do not know where they are coming from; they are pulled out of the sky. There seems to be some gazing into a crystal ball going on. Irrespective of that, could the same argument not be used about inward investment? I refer to the same radio interview with Alastair Hamilton, where he stated that we are going to attract new business. Can we not say that that business will be coming into Northern Ireland as a result of a reduction in corporation tax and to what level it will be reduced? I appreciate that all sorts of figures are being raised. This paper mentions that it would be reduced to 12·5%, but nowhere did I ever hear that we were fixed on any one percentage. I appreciate that that might well be wrong, but the fact was that it was never said that we wanted to be at particular number. Some people said that it would be 15%, some people said 12·5% and others said 10%. We have not got into the detail of what rate we will set. If we can, we will be attracting new business. Can we not say that that is revenue that the UK would not have received and that it would have gone to the Republic of Ireland or somewhere else. If we can attract business into Northern Ireland, that is money that we would be generating locally, so we would not be attributing a cost to that.

Mr Wilson: There are two issues there. Let us face it, with all economic modelling, you have to make certain assumptions. You cannot be sure of what the picture will be.

Mr Girvan: When the officials were here, they could not even tell us what the picture is today.

Mr Wilson: We have plundered through the figures with them as well. Let me take the first point about growth in the economy as a result of the devolution of the power to set corporation tax. The Treasury will say that growth will be much lower than some of the other models say that it will be, but it will make certain assumptions about the impact of lowering corporation tax. One of the assumptions that it makes is that the corporation tax take in Northern Ireland will grow at twice the rate of the rest of the United Kingdom, and that is one of the reasons why the bill rises so much. That is how it gets that escalator, and it does that on the basis that, because we will have reduced our rate to roughly half that of the United Kingdom rate, if profits in the rest of the United Kingdom grow by 10%, our profits will grow by 20%. That is an assumption, and it is based on some kind of rationale, I suppose. However, it carries big risks, because, if profits were not to grow at that rate, we would still be paying the bill.

Secondly, if profits do grow at that rate, there are benefits. This is one of the things on which we have been having discussions and fights with the Treasury, and, to a certain extent, we are winning the argument. There will be wider benefits to the Treasury in the form of national insurance, VAT, etc. I am going to share these figures with you. Some of the economists in my Department did a little exercise on one of the anecdotes that the previous Secretary of State continued to use during this whole debate. He went to Almac, where the owner said to him, "If we had corporation tax devolved, and if it came down to 12·5%, I would double my workforce." He did not give us a timescale, but he said that. We did some sums on the basis of the discussions that we have had so far with the Treasury. We did a low estimate and a high one. The low estimate is on this basis: some of the people who would be employed are already in employment, and would simply come to Almac because they would get better wages; some in Almac would get promotion as the firm expanded; and some new people would be brought onto the workforce. The high estimate is that all the people who would be brought in would be new employees. On the basis of the low estimate, the benefits to the Exchequer worked out at £16·5 million, from the doubling of the workforce. The Exchequer was saying that we should not get any secondary benefits or anything like that, so the benefits to Northern Ireland would have been £0·1 million. Compared with the benefits to the Exchequer, it is not all that beneficial to Northern Ireland.

Take the high estimate. There will be significantly less money paid in social security if all the new people employed are currently unemployed. The benefits to the Exchequer would be £27·2 million, and the benefit to Northern Ireland would still be £0·1 million.

This is the kind of thing that we have been arguing about with the Treasury. If this is really about balancing the economy, we are not asking the Treasury to do us favours. What we are saying is that we are taking a risk. This is a risk, as we are taking the hit on the block grant first and, hopefully, the jobs then come. However, as I said, there is a degree of uncertainty to that. If we take the risk, the

Exchequer should at least share some of the benefits with us. The £27·2 million as against £0·1 million is hardly a sharing of the benefits. When it comes to the final argument, those are the kinds of things that we will present to the Government. We will ask that they make it a more even playing field, give us the incentive to do this and reward us for the risks we are taking.

The risks are threefold. First of all, there is the upfront cost; secondly, the risk around whether it pays off by attracting new businesses; and, thirdly, it puts added volatility onto the block grant, as tax receipts can go up and down with a recession. At present, we are sheltered from the ups and downs of tax receipts by the block grant, but if we take on the responsibility for the tax, we will become responsible for that volatility. Those are the risks we are taking. We are saying that we want to make sure that we benefit from taking those risks.

Mr Mitchel McLaughlin: They must be very interesting discussions. There is a saying in Derry that Dick Turpin wore a mask. You could go into the next Treasury meeting and say, "Tiocfaidh ár lá." *[Laughter.]* Let us link the earlier discussion about evidence-based arguments and calculations that it should be fair, reasonable and affordable. It will sound fair, even if it is not spelt right. It is very uneven. I think some great work has been done here, but clearly the attitude at the Treasury, if not hostile, is certainly very self-centred. The very minimum that we would expect out of being able to apply this measure — and the Azores ruling permits this — is that we would stabilize our own economy. We would certainly hope to have some benefits of stimulus for the economy, that is, some growth to rebalance it. If, in fact, there is no net cost to the Exchequer, I think that that satisfies the requirement of Azores. For it just to compound the calculation through its current arrangements, or comparatives with other regional economies, is, in fact, grossly unfair. It really needs to encourage this. At the end of the day, if we bring people into employment, if we create greater disposable income revenues, it will benefit. It is win-win. However, it could cut us off at the pass here, if not at the knees, by a punitive calculation that gathers all the benefit of that to itself.

Clearly, it is now required that the Assembly and all parties have as much information as possible about the cost of this. We have to make informed judgements. I do think we have to take risks. I certainly will be supportive of you or any Minister who argues that case, because we will never know until we test it. The current arrangement has to be nailed down. There is not the amount of time left in the run-up to October to give any great hope that it is going to be resolved. It seems to me that there was an escalator. I heard the estimate coming back from the Treasury, which seemed to add to the estimate we had before that. It is almost as though it is putting obstacles in our way.

I encourage and support you and the team in negotiating around this, but we have to be very, very clear, going into and coming out of those meetings, that the win-win for Treasury and central government is to help the economy to halt the slide, particularly in our private sector, which is under such intolerable pressure that it is virtually at the point of collapse. It is private sector jobs that are spilling out of our economy. The measure allows us to address that. You would think that it would be fairly obvious, at an economic as well as political level, that what the Treasury should be doing is making it as easy as possible. Let us satisfy international competition laws; let us satisfy European competition laws. Nobody is arguing for any circumvention of that. To go back to the acronym you offered: there has to be a fair approach to make it possible for this particular region to be able to do what it can.

Mr Wilson: That is where we started out on the discussion: we want to help to rebalance the Northern Ireland economy and make it stronger. That is to everybody's benefit. It is to the Treasury's benefit as well. In the longer run, it means that we would become less dependent upon Treasury subvention. It seems to be a bit of a twist that we now find ourselves in this position, if the figures are as they are presented. However, I can understand the Treasury. The Treasury Minister is probably like me. When other Ministers come to see me about money, I tell them there is no money and that they have to fight for it and make their case.

I have got to pay a lot of praise to the officials. We have very high-quality officials who have presented the arguments. When they have won the arguments, as you said, Mitchel, sometimes, because it has lost the argument, the Treasury comes back with another thing that it had not mentioned up to that date, "There's £50 million knocked off it, but we can find another £50 million to add on to it." That is the nature of those things, and I would expect the Treasury to be fairly tenacious. However, we have now got a quality of argument where, when it comes to the political decisions, we can go in and say that, if you want to help us rebalance the economy, there is room for manoeuvre, without being generous to the point where, as Mitchel pointed out, you put us in jeopardy of European sanctions. On the wider benefits, they can be shared and they should be shared. Here is the thing: when our officials went to meet European officials, they had no objections at all. They did not see this as being anti-Azores. On the wider benefits being shared, they said that that is really a political decision for the national Government. So, we will not even run foul of Europe if some of the benefits of income tax, employees' national insurance contributions, VAT or the reduction in social security benefits come back to Northern Ireland.

Bill will probably want to say something about this, but, in the more recent negotiations with the Treasury, it has been able to identify or quantify some of the wider benefits. That probably is a softening of its position, because why on earth would you identify the wider benefits and give us the figure — it has given us an argument — if you did not intend to make some concessions? People do not roll over and give you concessions that easily; you have to fight for them. That is just the nature of the game.

Mr Mitchel McLaughlin: In your presentation, you discussed the make-up of any expansion or broadening of the employment base. That involves a mixture of people, from those who progress through existing structures in existing companies to people who are newly brought into employment. Every new job created means that someone will not be in receipt of or dependent on welfare payments or whatever. All those opportunity costs should be considered with this investment. Paul discussed the same thing. From my view, it is very much in the Treasury's interests. There may well be other regional implications, and I understand that perfectly, but, if, in a wider context, this proves to be an effective stimulus for economic recovery and growth, rather than using austerity measures and cutting our way to recovery, we can invest in it. So, it is at least win-win and maybe win-win-win if the Treasury takes a more proactive and positive approach.

Mr Beggs: Thanks for the little bits of information and insight into what has been happening, Minister. I am quite shocked at how the Treasury has increased the figure in the way that you have outlined. Has it given any more precise detail on its arguments for doing so? Over a 15-year period, it wants an increase of 6% a year. Is it arguing that there is a degree of inflation as well as the increase? It strikes me as quite perverse; it is almost putting a difficulty in the way. Have you or your officials checked out the EU's view of that? I would have thought that a fair judgement should be to devolve it and take the hit on what it is at the time of devolution or, perhaps, a range of years around that time. However, the Treasury appears to be putting an impediment in the way. Have you identified a view from Europe on that aspect?

Mr Wilson: I will let Bill deal with the European issue. There was always an understanding that the figure will be set, and because there has to be a true reflection of the cost of the loss of devolving the tax to a local Administration, you have to have some year-on-year basis for it. Two main methods have been used: the growth of the tax and the growth of public spending. That encapsulates the essence of the two, but there are variations within that. The Treasury has taken a view on the best method to use, apparently because that was agreed by Scotland when it was given powers over income tax. The Treasury has simply said that it is applying that here. Our argument is that Scotland may have agreed a method of establishing its liabilities for any tax powers that it has but it cannot make a decision for us. Anyhow, that indicated that, if corporation tax grew by a certain percentage in the rest of the United Kingdom, because our rate was half of theirs, ours would grow by twice that. That is basically how the formula was achieved. Europe requires there to be payment of the revenue lost, but it does not lay down the method by which you calculate that. Bill can go into the technicalities of that. Since there are a variety of methods, we argue that the method that should be used is the one that we believe is best suited to us. Using the same method as was used for the devolution of some tax powers in Scotland for the devolution of corporation tax is not appropriate. They are two totally different taxes, apart from anything else.

Mr Beggs: Particularly because this has been designed to try to improve investment coming into Northern Ireland and to take up opportunities that are presently going elsewhere and that the Treasury is not benefiting from.

Mr Pauley: We believe that the alternative approaches would be acceptable to Europe. The Azores requirement is that we would pay the full economic consequences of any change. The second part of the strapline is that we would not be compensated for any adjustment that was made to that. The two main approaches that the Minister has pointed out are the Holtham approach and the Calman approach. You had Holtham here at one point in relation to the Barnett formula. The Holtham approach links it to growth in the tax that is being adjusted, which, for us, is corporation tax. The Calman approach, as the Minister said, links it to public expenditure. It comes down to the compensation effect. The Treasury believes that, for this to be fair to the Exchequer, it needs to be linked to the growth in the expected corporation tax receipts that the UK Exchequer would receive should it not be devolved and reduced in Northern Ireland. The Calman approach, which would also be Azores-compliant, would link it to public expenditure. We have argued, and the Treasury has indicated that it accepts our argument, that the future use of our Northern Ireland block grant is for all aspects of public expenditure and not from the source of the revenue, which is the tax receipts. Therefore, we are not being compensated by growing it in line with the Calman approach as opposed to growing it in line with the Holtham approach. We have also presented five other variations of that to the Treasury, and we are discussing the different methodologies of growing that.

Mr Wilson: That is why these are protracted discussions.

Mr Mitchel McLaughlin: They want to have their cake and eat it.

Mr D Bradley: About two weeks ago, the 'Irish Times' business supplement reported on 300 new jobs for Galway, in the depth of a recession, in the creative industries and computer games design. The difference is corporation tax; that was in the headline. When I saw that, I thought, "Here we are, still without an agreement on this." The two sets of figures — your set and the Treasury set — have been around for quite a while now. The longer that this goes on, obviously, the more jobs that could be lost to us. I know that your Department is eager to move it on as quickly as possible and to get a good deal. You are supported in that regard by the Committee and the business community in Northern Ireland. It is very frustrating for the business community and in general, especially for young people who are unemployed, that the issue is not being moved on. I hope that it happens sooner rather than later. There are those who are a bit risk-averse; they are afraid that the amount of money that the change will take out of the block grant may not be replaced. However, there are various theories about a gradual implementation, with a gradual stepping down of the rate. Do you favour that sort of approach?

Mr Wilson: No, I do not. To come back to the first point that you made, Dominic, jobs are being created. You mentioned the jobs in Galway. However, we should not lose sight of the fact that, even in the midst of a recession and without the benefit of a reduction in corporation tax, we are equally attracting high-quality jobs to Northern Ireland on a regular basis, whether those jobs are in financial services, the creative industries or a range of other industries. So, although we would love to have the corporation tax lever — I know that Arlene is keen to have it as quickly as possible — we are succeeding in using some of the other attractions that we have to get jobs. I always like to say that because we must have balance in the picture that is presented of the Northern Ireland economy.

On the issue you have raised as to whether we should have step downs, my personal view is that no, we should not, and I will tell you why. There will be some delay. To get the legislation through Westminster will take time. At one stage, officials there talked about 2018, but we said that that was far too long. They have shortened the timetable, and we believe that it could be shortened even further once the decision has been made. It is one thing to say that we will have the rate of corporation tax reduced by, say, 2016-17, and for Arlene to go out and say to firms, "Come to Northern Ireland, and you will pay less corporation tax than you would pay in other parts of the United Kingdom by that date." I do not think that most firms would have any real difficulty with that. It may not release cash for existing firms immediately, which is one factor, but for firms that are thinking of coming to Northern Ireland, 2016-17 is probably not an unrealistic horizon. By the time they make their decisions and start earning profits, it will be that time anyway. There is a disadvantage, of course, for existing firms in Northern Ireland. Some people argue that an immediate reduction in corporation tax would give them the cash for investment that the banks will not give them at the moment. So, we would not have that impact if we have a long delay.

If you say to firms that, over the next 10 years, we will reduce corporation tax to 12·5% or whatever, that means that we will not be competitive with the Republic until 10 years' time. So we will be paying the Exchequer the cost of reducing the rate, but we will not get the benefit. I think that, if we are going to do it, it is much better to say, "Look, there is the date when it will start, and, by that time, we will be as competitive as the country next door to us — the country with which we are seeking to compete — and we will be much more competitive than the rest of the United Kingdom." However, that is my own view. I think it is also the view of the Executive. Let us do it, and do it immediately — though we may have to delay it for a number of reasons.

Mr Cree: This has been very helpful. We are going into the detail and the machinations. I am particularly interested in your response to Roy, when you talked about how things could possibly work out. I take it that the Treasury officials understand the possibility for reduction of benefits in Northern

Ireland and the overall saving that that would bring. Have the increased revenue streams of income tax and national insurance contributions been factored into it?

Mr Wilson: As I said, Bill was in the last set of talks in August. They have now quantified that, so we have a figure. That is one of the reasons why I have some optimism that they may well be prepared now to start making some concessions. Why would they give us a figure that we could use to beat them over the head with? We will say, "Look, that is the benefit that there will be to the Exchequer." Until about August, they were always arguing that it is very difficult because of the ripple effects. I can understand that. The ripple effects are difficult to build into any model; it is difficult to get an exact picture. They always just said that they could not calculate it. We pointed out that they could calculate a lot of other ripple effects and asked why they could not calculate this one. We then got a figure for it from them. I cannot remember the figure that they gave. I do not even know how accurate or confidential it is, so I am not going to give it. *[Laughter.]* All I can say is that a figure has now been established. The question is whether we can now make the argument that we should some get some of the benefit from it. I gave you the example of Almac. We worked out the figures for additional income tax, additional employee national insurance contributions, employer national insurance contributions, VAT and reduced social security benefits. On the high estimate, if you increased employment by 2,000, all of that would amount to a net benefit to the Exchequer of £27·2 million, of which we would get £0·1 million. We have done some calculations, and they have done some calculations. It is one thing to say that we have an idea of what the figure will be, but whether the Treasury is prepared to give us any of it is another question.

Mr Pauley: The figures that the Minister referred to that the Treasury has supplied look at the impact on the other taxes, but the number does not include the impact on the social security side. So, it has quantified the impact on other taxes but not the social security savings that might result from increases in employment.

Mr Cree: That is part of the mix. Sammy, I am interested to hear your view on something else. How much do you think that Scotland's awakening to this issue has gummed up the works?

Mr Wilson: A great deal, I suspect. I really do. I do not think that the Scots have done us any favours on this. Obviously, the Prime Minister is very focused on not being the Prime Minister who oversees the break-up of the union, and he will be worried about any impact that decisions about Northern Ireland might have on the independence debate in Scotland. However, as I said earlier, I believe that, politically, you can make a virtue of the devolution of the power to set corporation tax to Northern Ireland in so far as you can say to the Scots, "You do not need independence. If you can make a case for having something devolved, you can have your cake and eat it. You can be part of the United Kingdom, with all of the benefits that that gives you, and, where you believe that you need a power to run your country effectively, you can have it devolved. Northern Ireland made the case, and it got it. You make the case, and you can get the power, too." To my mind, this could be a plus for the Prime Minister.

Mr Cree: The point is that we would have to get it first and prove that it was successful. I think that it has been held back because of the intervention of Scotland.

Mr Wilson: I am not even thinking that we have to show that it is successful. The Prime Minister could make the argument that Westminster is not just going to hold on to everything regardless of whether there is a good case for it or not. He could say that, if you argue a good case for it, we will devolve it. He could say that they have done that in the case of corporation tax in Northern Ireland. The Scots talk about "devo max" as an alternative to independence. The Prime Minister could say, "Do not accuse me of not being willing to give greater flexibility to the Scottish Administration and do not say that you have to have independence because the big bad English will hold onto everything. That is not the case, and Northern Ireland proves it."

The Chairperson: In the negotiations with the Treasury, have any alternative economic levers been identified? If the process were not successful, what would the fallback position be? Is there a plan B?

Mr Wilson: At this stage, the one thing that we do not want to do is to start talking about alternatives. Otherwise, you will just go off on a wild goose chase on those as well. If, as some of the cynics believe, there are some people who simply want to kick this into the long grass, they will be more than happy to sit for another two years and discuss the alternatives that there might be to this. That is why it is perhaps foolish to say that we want some other things. However, we have given an indication that some of the kinds of capital allowances and whatnot would be very helpful. Given that the Government have already proposed those for enterprise zones in other parts of the United Kingdom, Arlene has been talking about what capital allowances might apply to Northern Ireland. However, that will be in addition to this, not as an alternative to it.

The Chairperson: Thanks very much, Minister. I hope that you did not find that too taxing.