



Northern Ireland  
Assembly

Committee for Social Development

# OFFICIAL REPORT (Hansard)

Inquiry into Allegations Arising from a BBC NI  
'Spotlight' Programme Aired on 3 July 2013 of  
Impropriety or Irregularity Relating to NIHE-managed  
Contracts and Consideration of any Resulting Actions:  
Turkington Holdings Ltd

3 April 2014

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Inquiry into Allegations Arising from a BBC NI 'Spotlight' Programme Aired on 3 July 2013 of Impropriety or Irregularity Relating to NIHE-managed Contracts and Consideration of any Resulting Actions: Turkington Holdings Ltd

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**Members present for all or part of the proceedings:**

Mr Alex Maskey (Chairperson)  
Mr Jim Allister  
Ms Paula Bradley  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Fra McCann

**Witnesses:**

Mr Jim McKeag	J. H. Turkington & Sons
Mr Ian Young	J. H. Turkington & Sons

**Please note that this is a fully verbatim Official (Hansard) Report of evidence given under oath or affirmation.**

**The Chairperson:** OK gentlemen, could I formally welcome you to this meeting this afternoon. I'm sorry for the delay of the business today. I'm sure you're very busy men. You've a lot of work to be doing, so I do apologise on behalf of the Committee for keeping you as long today.

Again, as you know, you've been requested to attend this session of the inquiry this afternoon just in respect of some evidence. Just to outline, the Committee's position has been that, when we receive evidence, we will review that evidence. If there is any kind of disparity or lack of clarity in terms of any evidence coming from different witnesses, then we would invite those witnesses back and request and require them to take an oath or an affirmation. That makes no judgement on the veracity or otherwise of anyone's evidence. It just simply means that, if we are faced with different evidence, or perhaps potentially conflicting evidence, then we are duty-bound to probe that further. We make no judgement whatsoever on anyone.

I do appreciate that yourselves are a private company. You're involved in business, and you have your own reputation at stake. I've made it very clear here in the earlier session that the whole question of party affiliation, donation and all the rest of it, that's completely, totally and utterly legitimate. It's no — there's no aspersions being cast on anyone in regard to that. I can assure you of that on behalf of this particular Committee. So, if that's been cast out in any media reflection, then it's unwarranted, as far as I'm concerned, for this inquiry. And nobody around this room — even though members may enquire, because sometimes there is a question over relationships and so on — but there is no one in this inquiry, certainly when I'm chairing it, will be making any allegations against your company, or anybody else for that matter, for any inappropriate behaviour.

This inquiry is statutory based. We have very clear rules for procedural fairness. We want to treat every witness equally and fairly, and we are trying our very, very best to do that. And, again, this afternoon, I hope that you feel that your evidence and yourselves will be respected as witnesses here. We are taking your professional integrity as a given. There are obviously members who will wish to ask a number of questions. So, hopefully, we can deal with that.

Obviously, as I have said earlier on, people, when they're recalled back again, are asked or have been asked to take an oath or make an affirmation. I think I understand you've — you're happy to take an oath. Is that correct, gentlemen?

**Mr Jim McKeag (J. H. Turkington & Sons):** Yes.

**Mr Ian Young (J. H. Turkington & Sons):** Yes.

**The Chairperson:** On that basis, could I then ask the Clerk to bring that oath just round to you, and if you could read that onto the record?

**Mr McKeag:** I swear by almighty God that the evidence I shall give shall be truthful and honest, and that I will give the Committee all such information and assistance as I can to enable it to discharge its responsibilities.

**Mr Young:** I swear by almighty God that the evidence I shall give shall be truthful and honest, and that I will give the Committee all such information and assistance as I can to enable it to discharge its responsibilities.

**The Chairperson:** Could I thank you both, Mr McKeag and Mr Young, for being here this afternoon formally, and again apologise for the delay in getting to your particular evidence session? Thank you for taking the oath on the record.

I presume this will be simple enough. I'm not sure if any members indicated yet to speak on this or to ask any questions. Michael and Jim. It's just then, if I could just — Again, for me, the essential core element of all this is that, as you know, there has been, for whatever reason, an issue around who attended the meeting and on whose behalf yourselves, for example, attended the meeting with the Minister on, I think, 16 April. There was a previous meeting with the special adviser at the Radisson hotel.

Could I just ask yourselves, just because you're here now under oath this afternoon in terms of this particular session of evidence — it's really just a repeat of the earlier; I mean, I think you've already provided the answer, but I'm just asking again on the record today. In your evidence, you made it very clear that no one could have been under any misapprehension as to the status of the meetings. In other words, that when you attended the meetings, you were representing Turkington Holdings company. Is that a fair assessment?

**Mr Young:** That's right.

**Mr McKeag:** Yes.

**The Chairperson:** And that's the key kind of question that I just wanted to ask. Michael.

**Mr Copeland:** Thanks, Chair. With your indulgence, there's a paper trail for quite a lot of this, but it all seems to start with the pre-meeting. And there's no way that you feel anyone at the pre-meeting in the Radisson could have left with any impression other than that this was to be a meeting with Turkington's?

**Mr McKeag:** I wasn't at the pre-meeting.

**Mr Young:** No, definitely not. No.

**Mr Copeland:** OK.

**The Chairperson:** OK, Michael? Jim Allister.

**Mr Allister:** Just in terms of that meeting in the Radisson, it was just you, Mr Turkington, and Mr Brimstone?

**Mr Young:** That's right, yeah.

**Mr Allister:** Were any notes taken by anyone at that meeting?

**Mr Young:** I don't think so, no.

**Mr Allister:** So, just so as we get the picture, is it a meeting in a private room in the Radisson or in the lobby of the Radisson or —

**Mr Young:** In the coffee shop.

**Mr Allister:** In the coffee shop. And it's over a cup of coffee, presumably —

**Mr Young:** Yes.

**Mr Allister:** — three of you chatting. What sort of duration had that meeting, if you can help us?

**Mr Young:** Thirty minutes, 45 minutes.

**Mr Allister:** Just remind us, I think you did tell us previously, but just remind us how that meeting came about.

**Mr Young:** I think there was a couple of things that we wanted to get resolved whatever, and Trevor suggested having the meeting with — it was arranged by Trevor's PA to meet Stephen Brimstone then.

**Mr Allister:** Yes. And you hadn't previously yourself met Mr Brimstone, is that right?

**Mr Young:** No, I'd never met him.

**Mr McKeag:** I think it came from — was it the last time he came from a 2007 meeting to do with water sports?

**Mr Allister:** From DCAL days.

**Mr McKeag:** Yeah.

**Mr Allister:** So, you've already said to Mr Copeland nobody could've left that 30-minute discussion thinking that you were asking for a meeting for — on anyone's behalf but yourselves. Isn't that right?

**Mr Young:** No, I was representing Turkington's at that meeting.

**Mr Allister:** And the idea of then meeting the Minister, who did that come from?

**Mr Young:** The idea of the first meeting was to try and get a meeting with the Minister.

**Mr Allister:** With the Minister. So Mr Brimstone was meeting you as a preliminary.

**Mr Young:** Yeah, to try and see how what was the best way of going about —

**Mr Allister:** Yes, and then after that you write a letter —

**Mr Young:** Yeah

**Mr Allister:** — on behalf of Turkington's, specifically asking for the meeting.

Mr Brimstone has told us he was surprised that that letter came on your letterhead asking for a meeting as Turkington's; he expected it to be asking for a meeting as Glass and Glazing Federation representatives. You're quite clear in your evidence to us there's nothing said in the coffee shop or elsewhere that could've given rise to that expectation.

**Mr Young:** We did talk about Glass and Glazing Federation standards and specifications, and I was a previous chair —

**Mr Allister:** Beyond that.

**Mr Young:** Beyond that? No.

**Mr Allister:** Just when you are here, arising from something that came up this morning. You were, am I right, I just want to make absolutely sure about this, at the material time, you were a subcontractor to Mascott? Is that right?

**Mr Young:** Yes.

**Mr Allister:** And Mascot had a Housing Executive contract.

**Mr Young:** That's right, yeah.

**Mr Allister:** If, in the process of a contract with the Housing Executive, a contractor comes up with a good idea, which saves everyone money, is there any incentivisation, reward or benefit from that to the contractor?

**Mr McKeag:** We wouldn't be privy to the main contract between Mascott and the Housing Executive. We would have a subcontract.

**Mr Allister:** Yes, but from your experience of contract work, is an incentivisation clause — or maybe that's not the right phrase — is that a common feature or not?

**Mr Young:** I wouldn't think so, no.

**Mr Allister:** And you don't know in this Mascott contract whether there was any incentivisation clause.

**Mr McKeag:** We haven't done work for the Housing Executive for a long time; I think I said in the last meeting.

**Mr Allister:** And there was no such clause in your subcontract?

**Mr McKeag:** I wouldn't know.

**Mr Young:** No, there wasn't, no.

**Mr Allister:** You wouldn't know?

**Mr McKeag:** I wouldn't know.

**Mr Young:** There would be different rates for different — obviously, you have a rate for a window and a rate for doing other things, you know, so. It is all done on a bill of quantities. There'd be no incentivisation to save money, if that's what you mean.

**Mr McKeag:** I have to say, if I was the main contractor and there was such a clause, I wouldn't be inclined to pass it on to a subcontractor, to be honest.

**Mr Allister:** Yes, well I can understand that.

**The Chairperson:** OK?

**Mr Allister:** OK, thanks.

**Mr Clarke:** Yeah, because it's been so long since you've been here — in terms of the purpose of the meeting then, can we just remind everyone how much we're talking about saving the executive at that meeting?

**Mr McKeag:** Well, the original housing stock was about 50,000 houses and, based on that, it would've been £19/£20 million. During the course of our work, I think that housing stock came down at 30,000 houses, which would have brought the overall saving down to maybe £12,000/£13,000, £12/£13 million.

**Mr Clarke:** And prior to the meeting that you had with the Minister, you would've been carrying out the double glazing on behalf of the subcontractor Mascott.

**Mr McKeag:** Yes.

**Mr Young:** Yeah.

**Mr Clarke:** So after the contract was stopped, were you successful in getting that work back?

**Mr Young:** No.

**Mr Clarke:** You were unsuccessful.

**Mr Young:** That's right, yeah.

**Mr Clarke:** So it would be fair to draw from that conclusion, again, that your — I mean, we'll call it an interference; a useful interference in terms of Northern Ireland plc — your useful interference actually cost your company money because actually the contract was brought to an end?

**Mr McKeag:** Well the contract was retendered, and we tendered for it, but we weren't successful. Our contract with Mascott is just now coming to an end, and we've no future orders through Mascott or the Housing Executive or any other contractor associated with the Housing Executive.

**Mr Clarke:** So it would be fair for me to assume also then other companies who are in the same position as yourselves in the future, where they see an opportunity to save money, will be slow at coming forward.

**Mr McKeag:** Well, you know, in all of this, I think that point has been lost. I mean, we did our duty, the savings were recognized, and we got no credit for it whatsoever.

**Mr Clarke:** When you say you got no credit, you no financial gain whatsoever.

**Mr McKeag:** Well, I don't even mean monetary credit; I mean, just, you know, a slap on the back, "Well done guys". Certainly no monetary benefit whatsoever.

**Mr Clarke:** And I think you're right; I think that has been lost. I mean there's been much focus on whether it was Turkington's or Glass and Glazing Federation. To me and, I think, any right-thinking person out there — others may have their own agendas in this particular inquiry — but for me — I don't know if you'd agree or disagree — what has been lost and what the public should be interested in is that you come forward with a very reasonable idea, the Minister, in turn, gave it to, we'll call them, experts within the Department to look at that idea, and have now since rolled that out, and because you've done that, you've lost out. So, any right-thinking person would say the course of events — whether it was Glass and Glazing Federation, Turkington's or anyone else — the course of action taken in relation to the meeting was useful in terms of savings to Northern Ireland, but wasn't very useful to whoever the company may be who would come forward in the past or in the future.

**Mr Young:** Yeah.

**The Chairperson:** It's entirely —

**Mr Clarke:** Well, you know —

**The Chairperson:** Sorry, gentlemen. It's entirely an opinion.

**Mr Clarke:** It is, yeah.

**The Chairperson:** And you hold that, Trevor. That's not a problem, but, I mean, automatically, you're going to get other members who'll want to put counter — I'm not going to allow this to go on much longer.

Sorry, gentlemen, you wanted to respond there. What I'm saying is that I don't want to be getting into — because all these things will be evaluated in due course — and I don't want it accepted that, because you came forward with an idea, somehow or other, you were penalised either. So, I don't know whether that's been said or not, but it's not really a purpose here. But, the point I'm making — I'm giving a wee bit of latitude, so do you want to respond to that?

**Mr Young:** I was just going to say in the new tender, the way of fitting a window was included, so by that, I had to fit the GGF standards and all that sort of thing, so —

**Mr McKeag:** Our proposal for fitting the windows was taken on board at that stage in the new tender.

**Mr Young:** In the new tender.

**Mr Clarke:** So, really, what you're saying, on the back of the other tender stopped while this was being looked at on the basis of the new tender going out, the discussions you had in terms of the identified savings was rolled out in terms of the new tender.

**Mr McKeag:** It was incorporated in the new tender.

**Mr Clarke:** Thank you. So, I mean, it wouldn't be hard to draw a conclusion from that.

**Mr Allister:** Just to be clear: you completed your contract — your subcontract — with Mascott.

**Mr McKeag:** Just about to. We're still working, finishing it.

**Mr Allister:** Yes, you're still working on that. So, you didn't lose that?

**Mr McKeag:** No.

**Mr Allister:** No. What you lost was something you never had; namely, you tendered on the planned maintenance contract and weren't successful.

**Mr McKeag:** Yes.

**Mr Young:** You take your chances.

**Mr Allister:** And that's how commercial life works.

**The Chairperson:** OK. Fra McCann to make a final point.

**Mr F McCann:** Chair, I am just trying to work it out. When you apply for a contract, how long does the period of contract last?

**Mr Young:** Contract, five years. The first contract was five years. I think the next one was —

**Mr F McCann:** So, the savings would've been over a five-year period.

**Mr Young:** It would be until all the houses are done.

**Mr F McCann:** If it took — how long would it normally take?

**Mr Young:** Well, I think the new contract has to finish in April 2015, I think, but it may be extended.

**Mr F McCann:** It would've been over that period of time. Could you tell us — the vast majority of the savings, was that not down to doing away with redecoration grants?

**Mr Young:** Yes. Well, half of it.

**Mr F McCann:** That's fine.

**The Chairperson:** OK. Trevor, go ahead.

**Mr Clarke:** Can I come back in on that?

**The Chairperson:** Yeah, go ahead.

**Mr Clarke:** In terms of that, I mean, and whilst I take the point that the previous member has made about the redecoration, but is it not because of the fitment that there's no necessity to redecorate?

**Mr Young:** Yes.

**Mr McKeag:** That's right, yeah.

**Mr Clarke:** So, really, we're not in the business of just because we're doing works — I presume — just because we're doing works that someone should get a redecoration. It would be on the basis of damage caused to the property in terms of the former way of installing windows.

**Mr McKeag:** That's exactly right.

**Mr Clarke:** So, you wouldn't automatically assume, just because you've found another way — I am sure that the member is not suggesting that if we found another way to do things, we should be rewarding people who are redecorating houses.

**Mr F McCann:** I am saying we are still —

**The Chairperson:** Sorry, Fra, let's not have cross-arguments about redecoration grants. Are you finished there, Trevor?

**Mr Clarke:** Yes.

**The Chairperson:** Do you want to make a final point, Michael?

**Mr Copeland:** It is just on the issue of the savings. When you had projected how much money could be saved and that total was arrived at, was that on the basis of the payment of no redecoration grants, a reduction in the level or substituting public liability insurance claims for redecoration grants?

**Mr Young:** No, the savings were just due to the plastering. There's no plastering required, and then the redecoration grants would be the other part of it — you don't need to do it out.

**Mr Copeland:** In other words, the removal of the wet trades?

**Mr McKeag:** The savings were in the physical works. We had less work to do than a redecoration.

**Mr Copeland:** OK.

**The Chairperson:** OK, members. Thank you, gentlemen. No other members are indicating to ask any more questions. Are there any final remarks you want to make before we conclude this particular session?

**Mr McKeag:** No.

**Mr Young:** No.

**The Chairperson:** Are you happy enough? Can I thank yourselves again, just to stress, for your patience for being here today for this inquiry. I know you had issues around coming here, given the publicity attached to this and all the rest of it. I can only apologise for any of that, and can I just formally thank both of you and your company for attending the evidence session here again this afternoon? Thank you very much.