

**Public Accounts Committee**

# Report on PSNI: Use of Agency Staff Volume 1

Together with the Minutes of Proceedings of the Committee  
Relating to the Report and the Minutes of Evidence

Ordered by the The Public Accounts Committee to be printed 26 February 2014  
Report: NIA 163/11-15 (Public Accounts Committee)

**REPORT EMBARGOED UNTIL  
00:01 am on 26 March 2014**



# Membership and Powers

The Public Accounts Committee is a Standing Committee established in accordance with Standing Orders under Section 60(3) of the Northern Ireland Act 1998. It is the statutory function of the Public Accounts Committee to consider the accounts, and reports on accounts laid before the Assembly.

The Public Accounts Committee is appointed under Assembly Standing Order No. 56 of the Standing Orders for the Northern Ireland Assembly. It has the power to send for persons, papers and records and to report from time to time. Neither the Chairperson nor Deputy Chairperson of the Committee shall be a member of the same political party as the Minister of Finance and Personnel or of any junior minister appointed to the Department of Finance and Personnel.

The Committee has 11 members including a Chairperson and Deputy Chairperson and a quorum of 5.

The membership of the Committee since 23 May 2011 has been as follows:

- Ms Michaela Boyle<sup>3</sup> (Chairperson)
- Mr John Dallat (Deputy Chairperson)
- Mr Trevor Clarke<sup>8</sup>
- Mr Michael Copeland
- Mr Alex Easton<sup>12</sup>
- Mr Paul Girvan
- Mr Chris Hazzard<sup>10</sup>
- Mr Ross Hussey
- Mr Daithí McKay<sup>7</sup>
- Mr Adrian McQuillan<sup>1</sup>
- Mr Seán Rogers<sup>6</sup>

- 1 With effect from 24 October 2011 Mr Adrian McQuillan replaced Mr Paul Frew
- 2 With effect from 23 January 2012 Mr Conor Murphy replaced Ms Jennifer McCann
- 3 With effect from 02 July 2012 Ms Michaela Boyle replaced Mr Paul Maskey as Chairperson
- 4 With effect from 02 July 2012 Mr Conor Murphy is no longer a Member and his replacement on this committee has not yet been announced
- 5 With effect from 07 September 2012 Mr John Dallat replaced Mr Joe Byrne as Deputy Chairperson
- 6 With effect from 10 September 2012 Mr Seán Rogers was appointed as a Member
- 7 With effect from 10 September 2012 Mr Daithí McKay was appointed as a Member
- 8 With effect from 01 October 2012 Mr Trevor Clarke replaced Mr Alex Easton
- 9 With effect from 11 February 2013 Mr Sammy Douglas replaced Mr Sydney Anderson
- 10 With effect from 15 April 2013 Mr Chris Hazzard replaced Mr Mitchel McLaughlin
- 11 With effect from 07 May 2013 Mr David McIlveen replaced Mr Sammy Douglas
- 12 With effect from 16 September 2013 Mr Alex Easton replaced Mr David McIlveen



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## List of Abbreviations

the Board	Northern Ireland Policing Board
the Committee	Public Accounts Committee (PAC)
C&AG	Comptroller and Auditor General
the Department	Department of Justice
HR	Human Resources
CPD	Central Procurement Directorate
DFP	Department of Finance and Personnel
HMRC	HM Revenue and Customs
PSNI	Police Service of Northern Ireland

# Executive Summary

## Introduction

1. The Good Friday Agreement established the basis for a new beginning to policing. In 1999, the Independent Commission on Policing for Northern Ireland set out proposals for the future structures and arrangements for policing in Northern Ireland (the Patten Report). This acknowledged the need for change in policing and made 175 recommendations. As a result, the Police Service of Northern Ireland (PSNI) experienced a programme of major change unlike any other police force in the UK. Among the Patten recommendations was the requirement to reduce the overall size of the police service while at the same time recruit new officers to achieve a balanced force that was “*representative of the society it polices*”.
2. The Patten report made a package of recommendations to achieve compositional change in the workforce. To encourage the required number of full-time officers to leave the PSNI, an early severance scheme was offered to those aged fifty and over who were serving officers prior to 1995. Simultaneously, a compulsory severance scheme was introduced for full-time reserve officers. This led to around 5,500 officers leaving PSNI between 2001 and 2011 at a cost of £500 million. With some years to go before reaching state pension age, a trust (the PRRT) was established and funded to provide a suite of support services directly to help retiring officers find alternative future employment. However, up to March 2012, 19% of these retired officers secured employment via recruitment agencies as civilians. Alternatively, if they re-joined the PSNI as police officers the legislation required them to repay their severance lump sum.
3. The departure of so many experienced officers over a relatively short period led inevitably to a skills gap and PSNI has spent over £106 million since 2004 on temporary staff. Nearly 40% of those employed through an employment agency had previously left PSNI with a severance package.
4. On the basis of a report by the Comptroller and Auditor General<sup>1</sup>, the Committee examined the cost and extent of use of temporary agency staff in PSNI, and whether there was a planned approach to controlling and managing the supply and demand of temporary staff. The Committee took evidence from the Department of Justice (the Department), PSNI and the Northern Ireland Policing Board (the Board).

## Overall conclusions

5. The Committee acknowledges that the implementation of the Patten report over the last 10 years, together with the introduction of a radical new policing structure in Northern Ireland, represented an enormous challenge for PSNI. Undoubtedly, the impact of the Patten Report has been huge, with PSNI given primary responsibility for implementing the changes required. The number of serving officers has reduced by around 8,000 and, at the same time, a new recruitment policy was introduced to achieve a more representative balance of officers from the Catholic and Protestant communities in the service.
6. Civilian jobs were rebranded as privatised jobs and appointments filled through a single supplier. In future, such jobs should be re-profiled as civilian jobs and should be openly advertised. Increased civilianisation is a key strategic priority for PSNI and any recruitment practices should reflect this.
7. A Policing Board and Police Ombudsman’s Office were also established to improve oversight and accountability for members of the police service as well as the wider community. There appears to be a lack of accountability in the use of agency staff, with the Police Ombudsman empowered only to examine the conduct of agency staff in designated roles. The Committee

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1 C&AG’s report, ‘The Police Service of Northern Ireland: Use of Agency Staff’, 3 October 2012

encourage the Department of Justice (in partnership with the Policing Board) to accelerate progress for legislative change to provide for oversight by the Police Ombudsman of all temporary/agency/civilian staff who operate in a policing capacity and not just those in designated roles.

8. In common with many organisations, PSNI uses temporary staff to cover short-term vacancies and to meet skills and knowledge gaps. Properly managed and controlled, they can provide value for money. However, at times, the numbers engaged by PSNI appear to have been excessive. During the period when recruitment was at its peak, PSNI should have exerted greater central control and monitoring. This clearly was not the case, and to quote the Chief Constable “the corporate justification for the numbers was not there”. The Committee can only conclude from this that, by taking its eye off the ball, PSNI has spent considerably more money on the recruitment of temporary staff than was necessary.

#### **The award of the contract for recruiting temporary staff**

9. The procurement of temporary staff represents a major deal in its own right, and it is therefore vital that costs are well managed and controlled. Competition is central to obtaining good value for money and acts as a safeguard against corrupt practices but there was no competitive tendering until 2008. The current supplier has now been in place continually since 2002, having won only one competition. Consequently, for much of this period PSNI had no assurance that the contract for providing temporary agency staff was providing value for money and that opportunities for savings were not being missed. The contract was due for tender in 2013, and the Committee expects that, in future, the value for money of ongoing services will be assessed regularly through competition. However any new contracts to be awarded by PSNI on behalf of the Policing Board must have the approval and authority of the Policing Board, and the relationship between civilian support staff, PSNI and the Policing Board should be clarified at all times.

#### **PSNI’s governance of the contract**

10. Local devolution of decision making can bring benefits, but still requires robust corporate oversight. This was clearly lacking over a number of years and the Chief Constable concedes that the PSNI should have exercised “*greater corporate grip*” of the use of temporary staff. The Committee notes the PSNI’s assurance that there is now “*an extremely robust, centrally-monitored process*” for appointing temporary staff. In the future, the PSNI will also need better quality management information to monitor the contract. It will also need to address concerns over the equality issues arising from its use of former officers in temporary roles. An action plan by the PSNI and the Policing Board is required to ensure a representative police service across Northern Ireland, and should include fair employment law and equality practices.

#### **The use of temporary staff**

11. The Committee agrees that there are sound operational reasons for employing temporary staff in the PSNI. Some temporary roles undoubtedly require policing skills: many others do not. It is also hard to justify temporary staff remaining in post for several years without any review or challenge. The Committee notes the Chief Constable’s acknowledgement of the public concern that this has generated.

#### **Workforce and succession planning**

12. Succession planning was undoubtedly difficult in the unique circumstances in which the PSNI found itself during this period, but it was not impossible. In the Committee’s view, succession planning becomes even more vital in such circumstances and it is regrettable that it did not receive the attention that it required. The Committee welcomes the PSNI’s assurance that it has plans in place to reduce its reliance on temporary staff in the future.



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# Summary of Recommendations

## Recommendation 1

**The Committee recommends that PSNI should assess annually the value for money of the services provided. Any major changes to contracts should only be achieved through open competition, which is a fundamental principle of public sector procurement. This can result in significant savings and avoids any perception of impropriety.**

## Recommendation 2

**Non-compliance with established controls is often a feature when things go wrong within organisations, and examples of this have been highlighted regularly in the Committee's reports. All public bodies, including the PSNI, should ensure not only that adequate procedures and processes are in place but also that they are adhered to consistently by staff.**

## Recommendation 3

**The Committee recommends that mechanisms are established within PSNI to ensure that suitable and proportionate business cases are prepared to justify contracts of this scale and, where appropriate, these are submitted to the Department and Policing Board for robust scrutiny and challenge.**

## Recommendation 4

**Procurement decisions which run contrary to CPD procurement advice should be avoided. Where such decisions are made, the reasons must be documented fully and retained on file. In the case of the PSNI, notification should also be made to the Policing Board which has a statutory duty with regards to value for money.**

## Recommendation 5

**The Committee is concerned that the Department was unsighted for so long on the use of limited companies by temporary staff in the PSNI. The Committee recommends that the Department's oversight arrangements for its sponsored bodies should be improved and action taken to address issues of concern when they are identified.**

## Recommendation 6

**The Committee recommends that PSNI establishes clearly the type and frequency of management information that it needs from the new contractor for monitoring purposes. This should be included in the new contract. In addition, the Committee recommends that PSNI reviews its key performance indicators at least annually, updating them as necessary, so they remain adequate to measure the performance of the supplier and drive continuous service improvement.**

## Recommendation 7

**The Committee welcomes the PSNI's recent engagement with the Equality Commission and the Policing Board to review its entire human resource strategy. This should address the**

**issues of policy screening and equal opportunities monitoring. Whatever recommendations emerge from that review should be taken forward as a matter of priority with both bodies and progress reported to the Committee. PSNI and the Policing Board must engage as soon as possible in order to establish an agreed action plan designed to ensure a fully representative Police Service which is compatible with fair employment laws.**

### Recommendation 8

**The Committee recommends that the Department, working with PSNI and the Policing Board, should consider if further action is needed to strengthen the accountability arrangements to the Police Ombudsman of temporary staff, including the desirability of legislative changes. There must not be a void in accountability in the use of agency staff. The Ombudsman must be able to examine the conduct of all staff. The PSNI should cease the practice of employing anyone who is unaccountable to the Police Ombudsman.**

### Recommendation 9

**The Committee recommends that PSNI should ensure that mechanisms are established for the regular review of temporary posts. If the need is no longer short-term, then PSNI should consider awarding the job on a fixed-term contract on the basis of open and fair competition, with selection demonstrably based on merit. Only contracts which have the approval and authority of the Policing Board, and which have been subject to proper options appraisals and business cases, should be awarded in the name of, and on behalf of, the Policing Board.**

### Recommendation 10

**The Committee recommends that PSNI works constructively with the Policing Board to develop and agree long-term people strategies, ensuring that skills gaps are closed, civilianisation advanced, in line with Policing Board requirements, and the need for temporary staff minimised. This requires targets and timetables for progress which are subject to regular review and fully disclosable to the public. The relationship between civilian support staff, PSNI and the Policing Board should be transparent at all times.**

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# Introduction

1. The Public Accounts Committee met on 10 October and 28 November 2012 to consider the Comptroller and Auditor General's report on 'The Police Service of Northern Ireland: Use of Agency Staff, (3 October 2012). The witnesses were:

- **Mr Nick Perry**, Accounting Officer, Department of Justice
- **Chief Constable Matt Baggott**, Police Service of Northern Ireland
- **Deputy Chief Constable Judith Gillespie**, Police Service of Northern Ireland
- **Mr Sam Pollock**, Chief Executive of the Northern Ireland Policing Board
- **Mr Kieran Donnelly**, Comptroller and Auditor General
- **Ms Fiona Hamill**, Treasury Officer of Accounts.

The Committee wrote to Mr Perry on 19 October 2012 with further queries following the evidence session. Mr Perry replied on 5 November 2012 with further replies on 16 November and 19 November 2012. Additional evidence was also received from Mr Baggott on 26 November 2012. The Committee also received additional evidence from Mr Pollock on 16 January 2013.

2. The Committee also decided that the PSNI's Director of Human Resources (HR) and Director of Finance and Support Services could be of assistance to its deliberations. The Chief Constable and his HR and finance teams were called to give supplementary evidence on 28 November 2012. The Chief Executive of Grafton Recruitment was also called to attend. The additional witnesses were:

- **Mr Joe Stewart**, Police Service of Northern Ireland
- **Mr David Best**, Police Service of Northern Ireland
- **Mr Michael Cox**, Police Service of Northern Ireland
- **Mr Jason Kennedy**, Grafton Employment Group.

Following this second evidence session, the Committee wrote to Mr Baggott on 7 December 2012 with further queries. Mr Baggott replied on 16 January 2013. The Committee sought further information on 1 February and 15 February and the Chief Constable responded on 8 February, 28 March and 29 March 2013.

3. With the departure of some 5,500 regular and full-time reserve officers under early severance schemes, the Police Service of Northern Ireland (PSNI) increasingly relied on agency staff to cover skill shortages and vacancies in both policing and non-policing roles. Numbers increased following the Patten report in 2001, reaching a peak of around 800 in 2007 before falling back to their current level of around 400. As a result, since 2004 PSNI has spent around £106 million on the use of temporary agency staff. Of the 2,740 temporary staff hired almost 1,100 were former police officers, representing nearly one in five of all Patten retirees.
4. The Committee acknowledges that the implementation of the Patten reforms represented a major undertaking, and accepts that such radical organisational change and high levels of staff turnover inevitably presented problems and challenges along the way. PSNI told the Committee that it has dealt with some 80,000 personnel movements, over the last 10 years, involving recruitments, retirements, promotions and transfers of police officers and staff. Against this background, the Committee wants its report to be forward-looking and help the PSNI to build a long-term human resource planning programme of the highest standard.

5. In taking evidence, the Committee focused on four areas:
- weaknesses surrounding the award of the contract to provide temporary staff;
  - deficiencies in governance;
  - the extensive use of temporary staff over the last 10 years; and
  - the lack of succession planning for key posts.

# The Award of the Contract to Provide Temporary Staff

## **The procurement process has not always been competitive and PSNI cannot demonstrate that value for money has been achieved**

6. The procurement of temporary staff from a single recruitment agency began in 2004 when PSNI signed a variation to a contract it already held to provide permanent staff. The value of the existing contract was around £2 million a year in fees, but the variation increased spending by a massive £44 million over the next four years. The Chief Constable told the Committee that the bulk of this increase related to salary costs and, based on procurement advice obtained at that time, PSNI considered that these were not part of the contract costs so a competitive tendering exercise was unnecessary.
7. The Committee finds this explanation astonishing. By any standards, this was a major service contract costing millions of pounds of scarce public money. The PSNI contends that procurement guidance at that time was not explicit about the inclusion of salary costs in the evaluation process. In the Committee's view, public procurement regulations at that time were explicit and the relevant value of the contract should have been the total consideration payable<sup>2</sup>. This clearly includes the costs of the salaries payable under a contract for temporary workers.
8. An assumed absence of clarity is not an excuse: even if PSNI perceived that there was no impediment under the guidance, that does not mean that it was right to have gone ahead with this. The Department of Justice and the Department of Finance and Personnel were very clear that all payments expected to be made under the contract should have been taken into account in the decision. PSNI should have considered carefully all the options and risks before simply extending the scope of the contract. The Committee's view is that all public procurement of goods and services must be based on value for money, having due regard to propriety and regularity. PSNI must always establish the requisite conditions to generate competition in order to demonstrate that value for money is being achieved.
9. On a more positive note, the Committee heard that the guidance has been clarified further since devolution. The Committee welcomes the Chief Constable's assurance that full salary costs will be included in future contracts and the Departmental Accounting Officer was very clear that he shared this view. The Committee expects that the lessons learned will be taken into account when the contract is renewed.

## Recommendation 1

10. **The Committee recommends that PSNI should assess annually the value for money of the services provided. Any major changes to contracts should only be achieved through open competition, which is a fundamental principle of public sector procurement. This can result in significant savings and avoids any perception of impropriety.**

### **A member of PSNI staff signed a contract variation far beyond their delegated authority**

11. The variation to the contract in 2004 was signed on PSNI's behalf by a recruitment manager with a delegated approval limit of £100,000. The Chief Constable told the Committee that he understood the authorisation to have been a simple mistake in relation to the level of signatory and, while there was no question over the actions of the individual or the legitimacy of the contract, accepted that it should have been signed at a higher level. In the Committee's view, this highlights the lack of control operating at that time and a lack of knowledge of roles

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<sup>2</sup> Regulation 7 of The Public Services Contracts Regulations 1993

and responsibilities by certain staff. However, the Committee notes that appropriate training has been introduced across PSNI to ensure that similar mistakes are not repeated.

## Recommendation 2

12. **Non-compliance with established controls is often a feature when things go wrong within organisations, and examples of this have been highlighted regularly in the Committee's reports. All public bodies, including the PSNI, should ensure not only that adequate procedures and processes are in place but also that they are adhered to consistently by staff.**

### **An appropriate business case was not completed in 2008 prior to a competitive process taking place**

13. Although a new contract for the provision of temporary staff was awarded in 2008, following a competitive tendering exercise, there were major failings in the procurement process. PSNI did not complete a business case until the tendering process was at an advanced stage and, once again, it did not include the salary costs, despite the fact that their inclusion was a clear requirement of the Public Contracts Regulations 2006 and that they amounted to over 90% of the contract's value. The full costs of the service being put out to tender, more than £60 million of public money over 4 years, were never properly assessed. This is unacceptable. The Department conceded that it should have insisted on the inclusion of salary costs in the business case.
14. The Committee considers that the significant gaps in the business case call into question the strength of the PSNI's procurement arrangements at this time, as well as the rigour of the Department's scrutiny and oversight. Before spending public resources, a clear business need must be established, options for meeting that need must be considered properly and the total amount that the contracting authority expects to pay under the contract must be quantified.

## Recommendation 3

15. **The Committee recommends that mechanisms are established within PSNI to ensure that suitable and proportionate business cases are prepared to justify contracts of this scale and, where appropriate, these are submitted to the Department and Policing Board for robust scrutiny and challenge.**

### **Central Procurement Directorate provided guidance on procurement issues but there was no mechanism to ensure that the PSNI complied**

16. Shortly after the award of the contract in 2008, a variation was needed to allow Grafton to assume responsibility for providing temporary staff to the Historical Enquiries Team. Central Procurement Directorate (CPD) expressed concern at the potential increase in the value of the contract and advised that re-tendering should be considered. PSNI told the Committee that this advice was considered but ultimately discounted for business continuity reasons and due to the risk of legal challenge by Grafton.
17. The Committee accepts that CPD's role is to give expert guidance and advice and that the responsibility for correctly delivering a contract remains with the contracting organisation – in this case the PSNI. That is the delegated process which CPD cannot and does not police. Nonetheless, the absence of follow through is a worrying issue that has been raised by the Committee in the past. The Committee welcomes the assurance that since November 2011 there is a mechanism established to follow up such issues when they are identified through the Procurement Board.

18. In this particular case, the PSNI's action was not compliant with best procurement practice. The lack of contemporaneous documentary evidence to support the decision taken is also of concern. The PSNI's reliance on an e-mail written in July 2012 to justify the procurement decisions taken in 2004 and 2009 to the Committee was not convincing. The Committee expects that decisions to disregard guidance should be the exception rather than the rule and that an explanation for such decisions, even for justifiable operational reasons, is documented fully and retained on file.

#### Recommendation 4

19. **Procurement decisions which run contrary to CPD procurement advice should be avoided. Where such decisions are made, the reasons must be documented fully and retained on file. In the case of the PSNI, notification should also be made to the Policing Board which has a statutory duty with regards to value for money.**

##### **The history of tender and award of contracts has been lacking in competition**

20. The contract for the provision of temporary staff was extended without competition in December 2012 for a period of one year. The Chief Constable told the Policing Board that the PSNI did not have sufficient time to re-tender the contract due to the ongoing PAC inquiry and so chose to make a direct award contract to the current supplier. The findings of the Committee, when published, would inform the tender process to be taken forward in 2014. The Committee cannot accept the argument that its inquiry presents a valid reason to suspend the normal procurement processes in favour of an uncompetitive direct award. The current supplier has now been in place continually since 2002, having won one competition in 2008 which was not itself without flaw. In that time, it has established a virtual monopoly in the supply of temporary staff. Proper procurement arrangements are there to protect public money. Their absence in this case provides no assurance over the value for money of these contracts and leaves the PSNI with little protection against corrupt practices. In the Committee's view, this fuels the perception of a cosy relationship between the PSNI and some of its contractors.

##### **The relationship between PSNI and the Policing Board needs to be improved**

21. Public accountability is not a new experience for the PSNI. The Policing Board has been established for more than ten years with a statutory duty to hold the Chief Constable to account, without impinging on his operational responsibilities. There is a fine balance to be struck in the relationship and it is not always an easy one. The Chief Constable has acknowledged that *"the relationship should be constructive, but never comfortable."* The Committee considers it clear that the relationship has not functioned effectively to support the Board's scrutiny.
22. There is much evidence of the Policing Board seeking information on the PSNI's use of agency staff consistently from 2002 to the present. There is also much evidence of information being provided by PSNI, although it was not always of good quality nor necessarily the right information at the right time. Undoubtedly the Policing Board had difficulty in obtaining sufficient accurate and relevant information to inform its scrutiny. The Committee recognises this only too well. The quality of evidence that it received during this inquiry has not met consistently the standards of accuracy and openness that it expects. Such evidence does not serve the interests of public accountability.
23. Whatever difficulties may exist, the Policing Board remains central to the accountability arrangements for the PSNI. The Committee expects the Chief Constable to work closely with the Policing Board to achieve a demonstrable improvement in this vital relationship. This should be based upon an open and constructive exchange of information between them. The Department also has a role to play, in monitoring the effectiveness of the accountability arrangements for the PSNI and being prepared to take action if necessary.

**Some temporary staff engaged via the recruitment agency are being paid through limited companies**

24. The C&AG's report identified that more than 60 temporary staff engaged via Grafton are paid through limited companies, which can be a means of minimising personal tax obligations. Such arrangements are expressly forbidden in *Managing Public Money*<sup>3</sup>. The Department told the Committee that it was unaware of these arrangements and does not support schemes designed to minimise taxable income. Equally, the Committee has concerns about the equity of such individual arrangements compared to other public sector employees who use PAYE.
25. The Committee was informed that the Department of Finance and Personnel (DFP) has been discussing this issue with HM Treasury and has surveyed all public bodies in Northern Ireland to establish if similar arrangements exist here. This has identified some 2,700 engagements with individuals on an 'off payroll' basis across the NICS, its agencies and arms length bodies, including those engaged through employment agencies. This information has been passed to HM Revenue and Customs (HMRC) for its attention. Depending on its findings, this may require departments to take remedial action in some cases. The Committee also notes that DFP is working with CPD to determine what additional requirements could be included in contracts to regulate such arrangements in the future.
26. Whether those remunerated through limited companies are paying the correct amount of tax is ultimately a matter for HMRC. There is a risk that, should these arrangements prove non-compliant with the regulations and tax has not been collected as a result, HMRC may seek restitution from the PSNI. Notwithstanding this, the public sector must be seen to be maintaining the highest standards of propriety in its employment practices. The Committee looks forward to receiving a progress report from DFP in due course which will set out the options to address this issue, if anything further needs to be done. In the meantime, the Department should ensure that it has complete and up to date information on the extent of these practices in the justice area.

## Recommendation 5

27. **The Committee is concerned that the Department was unsighted for so long on the use of limited companies by temporary staff in the PSNI. The Committee recommends that the Department's oversight arrangements for its sponsored bodies should be improved and action taken to address issues of concern when they are identified.**

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3 *Managing Public Money*, paragraph 4.2.6.



## Governance of the Contract

### **Local devolution of management can bring benefits but PSNI still needs to maintain robust central oversight**

28. The Patten report recommended devolution of decision making to local districts and police commanders. With this came the authority to buy in temporary staff and, subsequently, the numbers engaged rose from around 100 in 2002 to 800 by 2007. It appears to the Committee that, from a corporate perspective, PSNI took its eye off the ball around this time and became far too hands-off. Numbers of staff and costs were allowed to escalate without anyone questioning whether they were all justified. In the Committee's view, devolved authority still requires a degree of central oversight to ensure that it operates as intended.
29. The Chief Constable conceded that PSNI had not exercised sufficient oversight over this area and that there should have been a "*greater corporate grip*", while the Deputy Chief Constable acknowledged that this had an impact on community confidence. The Committee notes PSNI's reassurance that any shortcomings have been addressed and, since January 2011, there has been "*an extremely robust, centrally-monitored process*" in place for the appointment of temporary staff. The Committee expects to receive an update report from the Department in the coming year to demonstrate the improvements in governance that these processes have delivered.

### **Some posts created for temporary staff were not subject to sufficient job evaluation**

30. The C&AG's report identified that there was no established corporate policy or procedure for district commanders to follow for the recruitment of temporary staff. In many cases, agency staff were not hired to fill specific posts, but rather temporary posts were created as opportunities to provide skills that local commanders felt were missing from their area. As a result, some temporary posts were not subject to adequate job evaluation.
31. The Committee was informed that an internal review of the Criminal Justice Department carried out in 2009 evaluated 18 posts, which confirmed that more than half were over graded and consequently overpaid. The Deputy Chief Constable acknowledged that job evaluation was not as rigorous as it ought to have been but significant improvements have since been made.
32. The Chief Constable told the Committee that the guidance for those making decisions locally has been strengthened and re-issued. In addition, a comprehensive review of every single post in PSNI has been undertaken to assess whether it was essential, necessary or desirable and whether it is graded correctly. It is regrettable that these arrangements were not in place from the outset but the Committee notes the recent improvements and in particular, that job evaluations are now subject to much more rigorous scrutiny.

### **PSNI needs access to comprehensive, accurate and timely management information to monitor the contract and contractor**

33. Access to good quality management information is a prerequisite for any organisation to adequately monitor the performance of a contract. However, management information was generally poor and the PSNI contract manager had no idea how much was being spent on temporary staff. The Committee was surprised that PSNI had failed to see the need to maintain comprehensive records centrally. The lack of data continues to weaken PSNI's ability to manage and challenge performance and the Committee expects to see this rectified.
34. The Committee welcomes PSNI's willingness to take steps to standardise, analyse and collect complete and timely data. The Committee notes that the current contract is due for renewal in 2013 and expects PSNI to take this opportunity to carry out a comprehensive review of the type of management information required, and the frequency with which it needs to be generated and passed to PSNI by the contractor. In addition, the reporting of key

performance indicators should be reviewed and updated quarterly to keep pace with changing business requirements.

## Recommendation 6

35. **The Committee recommends that PSNI establishes clearly the type and frequency of management information that it needs from the new contractor for monitoring purposes. This should be included in the new contract. In addition, the Committee recommends that PSNI reviews its key performance indicators at least annually, updating them as necessary, so they remain adequate to measure the performance of the supplier and drive continuous service improvement.**

### **PSNI failed to screen its policy for recruiting temporary staff or consult with the Equality Commission**

36. The Patten report set out a range of measures to encourage Catholics and women to join, or remain, within the police service. As the Deputy Chief Constable informed the Committee, building a service to be “*representative of the community it polices*” is not just about police officers but includes permanent civilian staff, temporary staff and managed services.
37. If this is the case, the Committee is surprised at the PSNI’s admission that it failed to screen its policy on the use of temporary staff and never conducted a full equality impact assessment. It is disappointing that the PSNI did not have the foresight to undertake these important steps in 2001 or in subsequent years. There were regular meetings with the Equality Commission from 2001 onwards, but the PSNI told the Committee “*there are no records available to show specific advice was sought on screening the use of temporary staff*”. Neither did the PSNI recognise that, if the labour pool from which it was drawing its temporary workforce consisted of former police officers, then the imbalance in community representation within that pool would be reflected in the organisation. In moving the change agenda forward, it is important that the PSNI learns these lessons and takes steps urgently to restore public confidence and trust in the workforce mix. The Committee welcomes the Chief Constable’s agreement on this.

### **The PSNI does not monitor equal opportunity data for agency staff**

38. Under fair employment legislation, employers in Northern Ireland have a legal duty to monitor the composition of their workforce and those applying to fill vacancies. The PSNI does not hold information on the community background of temporary staff. Witnesses told the Committee that, as the temporary workers are employed by Grafton and assigned to work within the PSNI, it may be unlawful to do so. This is not the case. The Committee considers that this calls into question the quality of the advice provided to the Chief Constable by the HR department.
39. The PSNI contends that it was never its role to monitor the temporary workers used. Nevertheless, the invitation to tender and specification of requirements for the contract let in 2008 included a requirement that the PSNI “*must be provided with all relevant information for fair employment monitoring purposes*”. The evidence from the Policing Board is that a similar requirement existed within the 2002 contract for permanent staff which was varied in 2004 to include the recruitment of temporary staff. It follows logically that the provisions of the 2002 contract became applicable to the recruitment of temporary workers when the 2004 variation was enacted. In effect, at any point since July 2004 the contract required Grafton to collect equal opportunity monitoring data and to make it available to the PSNI to monitor its use of temporary staff in line with the good practice established by the Equality Commission<sup>4</sup>. In the view of the Committee, it is a matter of some concern that this has not taken place.

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4 Unified Guide to Promoting Equal Opportunities in Employment, chapter 19.

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## Recommendation 7

40. **The Committee welcomes the PSNI's recent engagement with the Equality Commission and the Policing Board to review its entire human resource strategy. This should address the issues of policy screening and equal opportunities monitoring. Whatever recommendations emerge from that review should be taken forward as a matter of priority with both bodies and progress reported to the Committee. PSNI and the Policing Board must engage as soon as possible in order to establish an agreed action plan designed to ensure a fully representative Police Service which is compatible with fair employment laws.**

### **Temporary staff are not accountable to the Police Ombudsman although a new contractual agreement requires them to co-operate with his Office**

41. The Committee was informed that there were risks in PSNI using temporary staff as they were not accountable to the Police Ombudsman's Office. The Committee accepts that, on occasions, there may be a need to bring additional policing skills but equally there is a need for these people to be held accountable to the Ombudsman in the same way as regular officers.
42. The Chief Constable accepted that certain risks existed but told the Committee that a new agreement had been drawn up for temporary staff which states "*you also agree to co-operate with all statutory agencies, including the Police Ombudsman's Office*". While the Committee welcomes this attempt to strengthen current arrangements, the Chief Constable cautioned by saying he was unsure whether it would stand a legal test. He also told the Committee "*if the Executive were to pass legislation compelling people to co-operate with ombudsman's enquiries, I would certainly stand behind that fully*".

## Recommendation 8

43. **The Committee recommends that the Department, working with PSNI and the Policing Board, should consider if further action is needed to strengthen the accountability arrangements to the Police Ombudsman of temporary staff, including the desirability of legislative changes. There must not be a void in accountability in the use of agency staff. The Ombudsman must be able to examine the conduct of all staff. The PSNI should cease the practice of employing anyone who is unaccountable to the Police Ombudsman.**

## Extent of Use of Agency Staff

### **Some temporary staff were employed for too long without any review of their post**

44. The C&AG's report and the evidence given to the Committee shows that some temporary staff stayed in post for too long and their jobs were never reviewed. For example, 37 assignments lasted more than five years and four longer than seven years. In the Committee's view, this makes the term 'temporary' meaningless and suggests a significant drift from any original plan there may have been. Evidence that temporary workers were in post for several years should have started alarm bells ringing. The Chief Constable conceded that while the numbers were relatively small, they did provide "*real examples where grip should have been exercised*".
45. The Committee acknowledged the positive steps that have been taken over the last few years to address this issue and improve controls. The Chief Constable reported that each business case must now be submitted through the head of Human Resources (HR) in the relevant district, to a central committee which assesses it against organisational need. Once the assignment period is complete, PSNI checks if the work has been finished and delivered to the expected standard; and whether the temporary staff have left the organisation. This provides greater central control and consistency in the use of temporary staff across the service as a whole. While these are welcome developments, it remains the Committee's view that such processes should have been in place from the outset. Their absence displayed a failure in the approach to workforce planning.
46. The appointment of at least eight former officers on fixed term contracts, including two in the HR department, is of concern. The PSNI told the Committee that they brought essential specialist skills, but the Chief Constable acknowledged that none were appointed through open competition. In the Committee's view, this does not meet the standards expected of a public sector recruitment process. In fact, it raises a lack of compliance by PSNI with existing fair employment law.

## Recommendation 9

47. **The Committee recommends that PSNI should ensure that mechanisms are established for the regular review of temporary posts. If the need is no longer short-term, then PSNI should consider awarding the job on a fixed-term contract on the basis of open and fair competition, with selection demonstrably based on merit. Only contracts which have the approval and authority of the Policing Board, and which have been subject to proper options appraisals and business cases, should be awarded in the name of, and on behalf of, the Policing Board.**

### **The rehiring of former police officers can be justified but not in every case**

48. The C&AG's report shows that between 2002 and 2012, nearly one fifth of all police officers who left early under the severance schemes were subsequently rehired as a temporary worker. In March 2012, 73 per cent of all agency staff in post were former officers. The Chief Constable told the Committee that the rehiring of former police officers, on occasions, was fully justified but also recognised the public concern at the scale of rehiring and that more of these opportunities were not available to the wider community.

49. The Committee accepts that temporary staff were and will from time to time continue to be required and that some of these people will need to bring policing experience and expertise. There is no suggestion that former officers should have been prevented from applying for any temporary posts. However, the Committee considers that the use of temporary staff has not been well-managed by PSNI and on occasion, the purpose of their use has been abused. The Chief Constable admits that it would be difficult to stand over every post, particularly those given to former police officers where policing skills were not required. The Deputy Chief Constable also conceded that it was hard to justify the preponderance of former police officers in certain roles, for example, drivers and safety camera operators. In the Committee's view, these examples can lead to a perception of favouritism and have the capacity to undermine community confidence.

# Succession Planning

**Although succession planning was a huge challenge it could have been managed better**

50. The aim of the early severance schemes was to get uniformed officers to leave the service so that PSNI could move to 50:50 recruitment designed to create a more representative organisation. With such a massive turnover of staff it was inevitable that operational needs would require some officers to be retained beyond the date they wished to leave. However, the Chief Constable indicated that PSNI's capacity to defer or "red circle" posts to prevent officers from departing was restricted and, as a consequence, retired officers returned as agency staff to provide the key skills that had been lost following their departure.
51. The Committee enquired whether PSNI had made full use of the deferral scheme and whether it had done enough to manage the situation that arose as a result of the Patten reforms. The Chief Constable told the Committee that, over the 10 years of Patten reforms, PSNI had gone through an unprecedented change programme, involving 8,000 people leaving, 80,000 staff movements and an uncertain budget. This included a major task in implementing the compulsory severance scheme for reserve officers. While the Deputy Chief Constable told the Committee that succession planning was a huge challenge during this time and that red-circling had been used as much as possible, there was also an acknowledgement that succession planning for key posts could have been handled better. To quote the Deputy Chief Constable, "*with such a seismic change programme, it would have been a miracle if we had got through it with perfection*".
52. The Committee does not underestimate the difficulties faced by PSNI over this time and acknowledges that the HR Department came under severe pressure due to the level of staff turnover. Nevertheless, it is the Committee's view that good succession planning becomes even more vital when such a large body of experienced staff leaves an organisation. Critical posts must remain filled by appropriately skilled staff long enough for them to transfer sufficient knowledge to their replacements. Succession planning was undoubtedly a huge challenge during a period of significant disruption and upheaval, but it should not have been such a low priority. Looking forward, the Committee heard evidence that PSNI now has a sustainable strategy for key posts. However, the challenge is to ensure that skills gaps do not open up in future and PSNI needs a specific strategy for the use of temporary staff as part of its wider workforce planning.
53. Without effective succession planning, the PSNI relied increasingly on ad-hoc, temporary appointments to fill the gaps that were created. The Committee heard evidence that, in some cases, the Police Rehabilitation and Retraining Trust provided training to equip former officers to take up these positions. While this ensured continuity in some essential posts, it was also an opportunity to consider whether some police officer posts could be civilianised and filled permanently by police staff. This did not happen. The Committee heard that the PSNI had made much progress in civilianising posts in its early years, but progress had been halted after 2004 due to budget cuts which fell disproportionately on police staff posts. It appears to the Committee that the over-reliance on temporary staff to fill posts that could have gone to permanent civilian appointments was also a significant factor here. Over the last eleven years, between 2 and 3 per cent of police officers have been used in organisational support roles, and currently around 3 percent of officers work in the PSNI's call handling unit. In the Committee's view there remains considerable scope for further civilianisation within PSNI. The Deputy Chief Constable referred to the "*more sustainable, longer term human resource plan*" which has been developed with the Policing Board. The Committee expects that the civilianisation agenda must move forward once again and the Committee acknowledges this development.

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## Recommendation 10

54. **The Committee recommends that PSNI works constructively with the Policing Board to develop and agree long-term people strategies, ensuring that skills gaps are closed, civilianisation advanced, in line with Policing Board requirements, and the need for temporary staff minimised. This requires targets and timetables for progress which are subject to regular review and fully disclosable to the public. The relationship between civilian support staff, PSNI and the Policing Board should be transparent at all times.**

### **PSNI must publish plans to reduce its reliance on temporary staff**

55. PSNI has reduced its demand for temporary staff from a peak of seven per cent of its workforce in 2007, to around four per cent in 2011 when a new process was introduced<sup>5</sup>. The Chief Constable told the Committee that PSNI will continue to need some short-term temporary staff as additional work will be required in relation to legacy issues. Uncertainties also remain about future budget settlements as well as the continuity of additional monies that are provided by the Executive to reduce the threat from paramilitaries. The Committee welcomes assurances from the Chief Constable that mechanisms are in place to ensure that every post is justified, and there will be an appropriate flow of information to the Policing Board to allow it to effectively undertake its scrutiny and challenge role.

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5 The figure of seven per cent of the workforce reflects temporary staff as a proportion of the entire force, civilian and police; however this equates to > 30% of civilian staff.

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Northern Ireland  
Assembly

Appendix 1

# Minutes of Proceedings Relating to the Report



## Wednesday, 3 October 2012

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Sydney Anderson  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Mitchel McLaughlin  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Mr Darren Weir (Clerical Supervisor)  
Ms Andrienne Magee (Clerical Officer)

**Apologies:**

**2:03pm** The meeting opened in public session.

**2:04pm** Mr Hussey declared an interest stating that he is chairman of the Audit Committee of the Northern Ireland Policing Board and that he prefers to withdraw from participating in the Committee's inquiry.

**3. Matters Arising**

**Correspondence from the PSNI**

The Committee noted correspondence from the Chief Constable, Matt Baggott, PSNI on the established protocols relating to commenting on reports due for consideration by the Committee.

**2:07pm** Mr Hussey left the meeting.

**4. Briefing on Northern Ireland Audit Office Reports on the Police Service of Northern Ireland: Use of Agency Staff**

**2:08pm** Mr McKay and Mr McQuillan declared an interest stating that they were former members of the Policing Board.

Mr Kieran Donnelly Comptroller and Auditor General; Mr Neil Gray, Director; Mr Billy Fitzsimons, Audit Manager; and Joe Campbell, Audit Manager briefed the Committee on the report.

**2:10pm** The meeting went into closed session after the C&AG's initial remarks.

**2:21pm** The Chairperson said that she was taking advice from the Clerk of Standards on whether a legal dispute some time ago might require her to declare an interest at the session.

**2:34pm** Mr McQuillan left the meeting.

**2:35pm** Mr Copeland left the meeting.

**2:36pm** Mr McQuillan entered the meeting.

**2:40pm** Mr Copeland entered the meeting.

**2:47pm** Mr McKay left the meeting.

**2:49pm** Mr McKay entered the meeting.

**2:50pm** Mr Dallat left the meeting.

**2:50pm** Mr Copeland declared an interest stating that he is married to a former police officer.

**3:00pm** Mr Dallat entered the meeting.

**3:15pm** Mr Anderson declared an interest stating that members of his extended family are PSNI and former RUC officers.

**3:25pm** Mr McQuillan left the meeting.

**3:34pm** Mr McQuillan entered the meeting.

**3:41pm** Mr Copeland left the meeting.

**3:45pm** Mr Girvan left the meeting.

**3:47pm** Mr Copeland entered the meeting.

**3:49pm** Mr Girvan and Mr McQuillan entered the meeting.

**3:50pm** Mr Clarke left the meeting.

**3:54pm** Mr Clarke entered the meeting.

The witnesses answered a number of questions put by members.

**[EXTRACT]**

# Wednesday, 10 October 2012

## The Senate Chamber, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Sydney Anderson  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Daithí McKay  
Mr Mitchel McLaughlin  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Mr Darren Weir (Clerical Supervisor)  
Ms Andrienne Magee (Clerical Officer)

**Apologies:** Mr Ross Hussey

**2:03pm** The meeting opened in public session.

### 1. **Apologies**

Apologies are listed above.

The Chairperson reminded members that Mr Ross Hussey had withdrawn from the Committee's inquiry following his declared interest as he is chairman of the Audit Committee of the Northern Ireland Policing Board.

### 3. **Matters Arising**

#### **Correspondence from Police Service of Northern Ireland**

The Committee noted correspondence from Mr Matt Baggott, Chief Constable, PSNI highlighting an inaccuracy in the Audit Office report.

#### **Correspondence from the Committee on the Administration of Justice**

The Committee noted correspondence from the Committee on the Administration of Justice highlighting concerns over conflicts of interest and the rehiring of retired police officers in the investigation of historic cases.

### 4. **Evidence on the Northern Ireland Audit Office Report 'the Police Service of Northern Ireland: Use of Agency Staff'**

**2:08pm** Mr McKay and Mr McQuillan declared an interest stating that they were each former members of the Policing Board.

**2:09pm** Mr Anderson declared an interest stating that he has family members who are PSNI officers and/or were formerly RUC officers.

**2:09pm** Mr Copeland declared an interest stating that he is married to a former police officer.

**2:10pm** Ms Boyle declared an interest stating that she had been involved in a legal case in 1997 with the then RUC which did not have a bearing on the use of agency staff; and

that she was also a former chairperson of the Community Safety Partnership and a former member of the Strabane District Policing Partnership.

The Committee took oral evidence on the above report from:

- Mr Nick Perry, Accounting Officer, Department for Social Development (DOJ);
- Mr Matt Baggott, Chief Constable, Police Service of Northern Ireland (PSNI);
- Ms Judith Gillespie, Deputy Chief Constable, Police Service of Northern Ireland (PSNI); and
- Mr Sean Pollock, Chief Executive, Northern Ireland Policing Board (NIPB).

**2:20pm** Mr Rogers entered the meeting.

**3:20pm** Mr Copeland left the meeting.

**3:31pm** Mr Girvan declared an interest stating that that he has family members who are PSNI officers and/or were formerly RUC officers.

**3:35pm** Mr Copeland entered the meeting.

**3:42pm** Mr McQuillan left the meeting.

**3:46pm** Mr McQuillan entered the meeting.

**4:15pm** The meeting was suspended.

**4:30pm** The meeting recommenced in public session.

**4:31pm** Mr McKay entered the meeting.

**4:46pm** Mr Rogers entered the meeting.

**4:46pm** Mr Copeland left the meeting.

**5:15pm** Mr Copeland entered the meeting.

**5:24pm** Mr McLaughlin left the meeting.

**5:27pm** Mr McLaughlin entered the meeting.

**5:35pm** Mr Dallat and Mr Girvan left the meeting.

**5:39pm** Mr Girvan entered the meeting.

**5:49pm** Mr McQuillan left the meeting.

**6:10pm** Mr Copeland and Mr McKay left the meeting.

**6:24pm** Mr Rogers left the meeting,

**6:29pm** Mr Copeland and Rogers entered the meeting.

**6:29pm** Mr Anderson left the meeting.

**7:15pm** Mr Copeland left the meeting.

The witnesses answered a number of questions put by the Committee.

*Agreed:* The Committee agreed to request further information from the witnesses.

**[EXTRACT]**

## Wednesday, 17 October 2012

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Sydney Anderson  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Ross Hussey  
Mr Dathí McKay  
Mr Mitchel McLaughlin  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Mr Gavin Ervine (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)

**Apologies:**

**2:00pm** The meeting opened in public session.

**2:08pm** Mr Girvan entered the meeting.

**2:14pm** Mr McQuillan entered the meeting.

**2:47pm** Mr Hussey left the meeting.

**2:53pm** Mr Copeland left the meeting.

**2:58pm** Mr Copeland entered the meeting.

**3:06pm** The meeting went into closed session after the C&AG's initial remarks.

**3:19pm** Mr Dallat left the meeting.

**3:25pm** Mr Girvan left the meeting.

**3:26pm** Mr Girvan entered the meeting.

**3:28pm** Mr Anderson left the meeting.

**3:32pm** Mr Dallat entered the meeting.

**3:40pm** Mr Anderson entered the meeting.

**4:24pm** Mr Copeland left the meeting.

**5. Issues Arising from the Oral Evidence Session on 'PSNI: Use of Agency Staff'**

The Committee considered an issues paper relating to the previous week's evidence session.

*Proposed:* Mr McLaughlin proposed that the Committee should invite Mr Joe Stewart, Mr David Best and Mr Michael Cox to the Committee to give evidence.

*Seconded:* The proposal was seconded by Mr Daithí McKay.

*Proposed Amendment:* Mr McQuillan proposed that as an amendment the Committee should seek a written response to the Committee's queries and having received that to decide whether another evidence session was necessary.

*Seconded:* The proposed amendment was seconded by Mr Clarke.

The following question was put:

That the Committee agrees to the proposed amendment by Mr McQuillan.

**Votes in favour:** Mr McQuillan  
Mr Anderson  
Mr Clarke  
Mr Girvan

The following question was put:

That the Committee agrees to the proposal by Mr McLaughlin.

**Votes in favour:** Ms Boyle  
Mr Dallat  
Mr McKay  
Mr McLaughlin  
Mr Rogers

*Agreed:* The proposal by Mr McLaughlin was agreed by 5 votes to 4.

**4:37pm** Mr Dallat left the meeting.

**[EXTRACT]**



## Wednesday, 21 November 2012

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Sydney Anderson  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Mitchel McLaughlin  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Mr Darren Weir (Clerical Officer)  
Ms Andrienne Magee (Clerical Officer)

**2:00pm** The meeting opened in public session.

**2:01pm** Mr Hussey declared an interest stating that he is chairman of the Audit Committee of the Northern Ireland Policing Board and that he will withdraw from participating in the Committee's inquiry into PSNI use of agency staff.

**2:04pm** Mr Girvan, Mr McKay and Mr McQuillan entered the meeting.

**2:10pm** Mr Clarke entered the meeting.

**2:56pm** Mr Copeland left the meeting.

**3:20pm** Mr Hussey left the meeting.

#### 6. **Briefing on Northern Ireland Audit Office Reports on the Police Service of Northern Ireland: Use of Agency Staff**

**3:21pm** Mr McKay and Mr McQuillan declared an interest stating that they were former members of the Policing Board.

**3:21pm** Mr Girvan declared an interest stating that that he has family members who are PSNI officers and/or were formerly RUC officers.

**3:21pm** Ms Boyle declared an interest stating that she was a former chairperson of the Community Safety Partnership and a former member of the Strabane District Policing Partnership.

**3:21pm** Mr Anderson declared an interest stating that members of his extended family are PSNI and former RUC officers.

Mr Kieran Donnelly Comptroller and Auditor General; Mr Neil Gray, Director; Mr Billy Fitzsimons, Audit Manager; and Joe Campbell, Audit Manager briefed the Committee on the report.

**3:22pm** The meeting went into closed session after the C&AG's initial remarks.

The witnesses answered a number of questions put by members.

### **Correspondence from the PSNI**

The Committee noted correspondence from Mr Matt Baggot, Chief Constable, PSNI seeking to establish the background of the Committee's decision to request four witnesses to its evidence session on 28 November without any requirement for the Accounting Officer to attend.

*Agreed:* The Committee considered a draft response to the Chief Constable and agreed to issue it.

*Agreed:* The Committee agreed that it should divert from its current practice of retaining tabled papers in order for members to consider the responses received to date.

### **Correspondence from the Department of Justice**

The Committee noted correspondence from Mr Nick Perry, Accounting Officer, Department of Justice confirming the attendance of the invited officials to its evidence session on 28 November.

### **Correspondence from a former RUC/PSNI Officer**

The Committee noted correspondence from a former RUC/PSNI Officer alleging a series of abuse and discrimination during their career.

**3:44pm** Mr McKay declared an interest stating that he has previously acted of behalf of the author in his capacity as a former member of the Policing Board.

**3:45pm** Mr Girvan left the meeting.

**3:46pm** Mr Girvan entered the meeting.

*Agreed:* Following discussion, the Committee agreed to forward the correspondence to the Audit Office. The C&AG undertook to report back his findings to the Committee.

Mr Clarke indicated that this was not his preferred approach.

### **Correspondence from NIPSA**

The Committee noted correspondence from Mr Ryan McKinney, Deputy Secretary, NIPSA attaching a submission from NIPSA's perspective on issues relating to the Committee's inquiry on 'PSNI: Use of Agency Staff'.

### **Correspondence from the Department of Justice**

The Committee noted a number of items of correspondence from Mr Nick Perry, Accounting Officer, Department of Justice providing some of the information sought by it at its evidence session on 10 October.

The Committee noted that items were still outstanding and asked that these be made available in advance of the meeting of 28 November.

**4:18pm** Mr Dallat and Mr Girvan left the meeting.

**4:19pm** Mr Anderson left the meeting.

**4:20pm** Mr Girvan entered the meeting.

**4:25pm** Mr McLaughlin left the meeting.

**4:30pm** Mr McKay left the meeting.

**4:36pm** Mr McKay entered the meeting.

**4:50pm** Mr Rogers left the meeting.

**4:52pm** Mr Rogers entered the meeting.

**4:52pm** Mr McQuillan left the meeting.

**[EXTRACT]**

## Wednesday, 28 November 2012

### The Senate Chamber, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Sydney Anderson  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Mitchel McLaughlin  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Mr Gavin Ervine (Clerical Supervisor)  
Ms Andrienne Magee (Clerical Officer)

**Apologies:** Mr Trevor Clarke

**2:01pm** The meeting opened in public session.

**2:01pm** Mr Hussey left the meeting.

**2:02pm** Mr McLaughlin left the meeting.

**2:03pm** Mr McLaughlin entered the meeting.

#### 4. **Evidence on the Northern Ireland Audit Office Report ‘Police Service of Northern Ireland: Use of Agency Staff’.**

The Chairperson reminded members that Mr Ross Hussey had withdrawn from the Committee’s inquiry following his declared interest as he is chairman of the Audit Committee of the Northern Ireland Policing Board.

**2:07pm** Mr McKay and Mr McQuillan declared an interest stating that they were each former members of the Policing Board.

Mr Girvan declared an interest stating that that he has family members who are PSNI officers and/or were formerly RUC officers.

Mr Anderson declared an interest stating that he has family members who are PSNI officers and/or were formerly RUC officers.

Mr Copeland declared an interest stating that he is married to a former police officer.

Ms Boyle declared an interest stating that she was also a former chairperson of the Community Safety Partnership and a former member of the Strabane District Policing Partnership.

The Committee took oral evidence on the above report from:

- Mr Matt Baggott, Chief Constable, Police Service of Northern Ireland (PSNI);
- Mr Joe Stewart, Director of Human Resources, Police Service of Northern Ireland (PSNI);
- Mr David Best, Director of Finance and Support Services, Police Service of Northern Ireland (PSNI);

- Mr Michael Cox, Deputy Director of Human Resources, Police Service of Northern Ireland (PSNI); and
- Mr Jason Kennedy, Chief Executive, Grafton Recruitment.

**3:03pm** Mr Girvan left the meeting.

**3:20pm** Mr Dallat left the meeting.

**3:06pm** Mr Girvan entered the meeting.

**3:24pm** Mr Copeland left the meeting.

**3:25pm** Mr Dallat entered the meeting.

**3:30pm** Mr Copeland entered the meeting.

**3:44pm** Mr McKay left the meeting.

**3:49pm** Mr McKay entered the meeting.

**4:02pm** Mr Rogers left the meeting.

**4:06pm** Mr Rogers entered the meeting.

**4:15pm** Mr Copeland and Mr Rogers left the meeting.

**4:19pm** Mr Copeland entered the meeting.

**4:24pm** Mr Girvan left the meeting.

**4:26pm** Mr Girvan entered the meeting.

**4:27pm** Mr Anderson left the meeting.

**4:55pm** Mr Anderson entered the meeting.

**4:58pm** Mr Rogers entered the meeting.

The witnesses answered a number of questions put by the Committee.

*Agreed:* The Committee agreed to request further information from the witnesses.

**[EXTRACT]**

## Wednesday, 5 December 2012

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr Sydney Anderson  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Daithí McKay  
Mr Mitchel McLaughlin  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Mr Darren Weir (Clerical Officer)  
Mr Christopher McNickle (Clerical Officer)

**Apologies:** Mr John Dallat (Deputy Chairperson)  
Mr Ross Hussey

**2:03pm** The meeting opened in public session.

**2:05pm** Mr McKay entered the meeting.

**2:06pm** Mr Clarke and Mr Copeland entered the meeting.

**2:10pm** Mr Girvan entered the meeting.

**2:10pm** Mr McQuillan left the meeting.

**2:17pm** The meeting went into closed session.

#### 6. **Issues Arising from the Oral Evidence Session on 'PSNI: Use of Agency Staff'**

The Committee considered and added to an issues paper relating to the evidence session held on 28 November 2012.

##### **Correspondence from NIPSA**

The Committee noted correspondence from Mr Ryan McKinney, Assistant Secretary, NIPSA indicating its willingness to provide evidence to the Committee.

*Agreed:* The Committee agreed to invite NIPSA to provide a written submission for its consideration.

**2:42pm** Mr McQuillan entered the meeting.

**2:48pm** Mr Girvan left the meeting.

**2:49pm** Mr McKay left the meeting.

**2:53pm** Mr McKay entered the meeting.

**2:54pm** Mr Girvan entered the meeting.

**3:00pm** Mr McQuillan left the meeting.

**3:01pm** Mr Copeland left the meeting.

**3:02pm** Mr Rogers left the meeting.

**3:06pm** Mr Rogers entered the meeting.

**3:11pm** Mr Copeland entered the meeting.

**3:13pm** Mr Copeland declared an interest stating that he had family members associated with the Police Rehabilitation and Retraining Trust.

**3:14pm** Mr Copeland left the meeting.

**[EXTRACT]**

## Wednesday, 30 January 2013

### Room 144, Parliament Buildings

**Present:** Mr John Dallat (Deputy Chairperson)  
Mr Sydney Anderson  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Mitchel McLaughlin  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Miss Maria Magennis (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)

**Apologies:** Ms Michaela Boyle (Chairperson)

**2:03pm** The meeting opened in public session.

**2:07pm** The meeting went into closed session.

**2:07pm** Mr McKay left the meeting.

**2:15pm** Mr McKay entered the meeting.

**3:04pm** Mr Hussey declared an interest stating that he is the Chair of the Audit Committee for the Northern Ireland Policing Board.

**3:04pm** Mr Copeland and Mr Hussey left the meeting.

#### 5. **PAC Inquiry on 'PSNI: Use of Agency Staff'**

##### **Correspondence from the Northern Ireland Policing Board**

The Committee noted correspondence from Mr Sam Pollock, Chief Executive, Northern Ireland Policing Board including outstanding information collated by witnesses to the evidence session 10 October 2012.

**3:11pm** Mr Copeland entered the meeting.

##### **Correspondence from PSNI**

The Committee considered correspondence from Superintendent Ryan Henderson, PSNI providing additional information sought after the evidence session on 28 November 2012.

*Agreed:* The Committee agreed to write to the PSNI to clarify some information in the response.

**3:25pm** Mr McQuillan left the meeting.



**Correspondence from NIPSA**

The Committee noted correspondence from Mr Ryan McKinney, Assistant Secretary, NIPSA enclosing a submission and a response from the PSNI relating to an FOI request.

**3:35pm** External advisors left the meeting.

**3:36pm** Mr McKay left the meeting.

**[EXTRACT]**

## Wednesday, 13 February 2013

### The Senate Chamber, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Mitchel McLaughlin  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Miss Maria Magennis (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)

**Apologies:** Mr John Dallat (Deputy Chairperson)  
Mr Sammy Douglas  
Mr Paul Girvan

**2:05pm** The meeting opened in public session.

**2:58pm** Mr Copeland left the meeting.

**3:15pm** Mr Hussey left the meeting.

**3:19pm** Mr Hussey entered the meeting.

**3:43pm** Mr Hussey left the meeting.

**3:46pm** Mr Clark entered the meeting.

**4:14pm** Mr Rogers left the meeting.

**4:15pm** The meeting went into closed session.

#### 5. Inquiry on 'PSNI: Use of Agency Staff'

##### **Correspondence from DFP**

The Committee noted correspondence from Ms Fiona Hamill, Treasury Officer of Accounts, Department of Finance and Personnel providing the information sought following its evidence session on 28 November 2012.

*Agreed:* The Committee agreed to consider a summary of all correspondence received relating to the inquiry at a future meeting.

**[EXTRACT]**

## Wednesday, 6 March 2013

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Adrian McQuillan

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Miss Maria Magennis (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)

**Apologies:** Mr Sammy Douglas  
Mr Mitchel McLaughlin  
Mr Seán Rogers

**2:01pm** The meeting opened in public session.

**2:03pm** Mr McKay entered the meeting.

**2:05pm** The meeting went into closed session.

**2:09pm** Mr Girvan entered the meeting.

**2:37pm** Mr McQuillan left the meeting.

**2:38pm** Mr McQuillan entered the meeting.

**2:40pm** Mr Copeland left the meeting.

**2:42pm** Mr Girvan left the meeting.

**2:45pm** Mr Copeland and Mr Girvan entered the meeting.

**3:00pm** External advisers entered the meeting.

**3:18pm** Mr Hussey left the meeting.

**3:39pm** Mr Copeland and Mr McKay left the meeting.

#### **6. Inquiry on 'PSNI: Use of Agency Staff'**

*Agreed:* The Committee noted a briefing note on this matter and agreed to consider it further at its meeting on 20 March 2013.

**4:06pm** Mr Clarke left the meeting.

**[EXTRACT]**

## Wednesday, 20 March 2013

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Miss Maria Magennis (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)

**Apologies:** Mr Sammy Douglas  
Mr Mitchel McLaughlin

**2:03pm** The meeting opened in public session.

**2:05pm** The meeting went into closed session.

**2:08pm** Mr McQuillan entered the meeting.

**2:45pm** Mr McKay entered the meeting.

#### 5. **Inquiry on 'PSNI: Use of Agency Staff'**

**2:59pm** Mr Hussey declared an interest stating that he is chairman of the Audit Committee of the Northern Ireland Policing Board.

**2:59pm** Mr Hussey left the meeting.

**3:03pm** Mr Copeland and Mr McKay left the meeting

**3:10pm** Mr McKay entered the meeting.

**3:31pm** Mr McQuillan left the meeting.

**3:35pm** Mr McQuillan entered the meeting.

The Committee considered a summary of correspondence received during the course of the inquiry. The Committee agreed to have sight of a recent relevant tribunal case.

#### **Correspondence from DFP**

The Committee noted correspondence from Ms Fiona Hamill, Treasury Officer of Accounts providing the information previously sought by the Committee at its evidence session on 10 October relating to payments made to individuals who were not included on PAYE systems.

*Agreed:* The Committee agreed to write to Ms Hamill to clarify some of the information in the response.

*Agreed:* The Committee also agreed to explore with Ms Hamill at the 10 April meeting her advice re CPD guidance.

**[EXTRACT]**

## Wednesday, 10 April 2013

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Daithí McKay  
Mr Mitchel McLaughlin  
Mr Adrian McQuillan

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)

**Apologies:** Mr Sammy Douglas  
Mr Ross Hussey  
Mr Séan Rogers

**2:15pm** The meeting opened in public session.

#### **4. Inquiry on 'PSNI: Use of Agency Staff'**

Ms Fiona Hamill, Treasury Officer of Accounts briefed the Committee on the contents of her correspondence of 6 and 15 February and reflected on correspondence of 28 February received from the PSNI.

#### **Correspondence from PSNI**

The Committee agreed to consider two items of correspondence dated 28 and 29 March from the PSNI in closed session.

**2:36pm** Hansard officials left the meeting.

**3:07pm** Mr Copeland left the meeting.

**3:17pm** Mr Copeland entered the meeting.

*Agreed:* The Committee agreed to seek further clarification on some of the information contained within the report.

**[EXTRACT]**

## Wednesday, 17 April 2013

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Paul Girvan  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)

**Apologies:** Mr Michael Copeland  
Mr Sammy Douglas  
Mr Chris Hazzard  
Mr Adrian McQuillan

**2:02pm** The meeting opened in public session.

**2:06pm** Mr Girvan entered the meeting.

**2:07pm** Mr McKay left the meeting.

**2:08pm** Mr McKay entered the meeting.

**2:21pm** The meeting went into closed session.

**2:30pm** Mr Dallat and Mr Girvan left the meeting.

**2:33pm** Mr Dallat entered the meeting.

**2:34pm** Mr Girvan entered the meeting.

**3:02pm** Mr Clark left the meeting.

**3:07pm** Ms Boyle left the meeting.

**3:10pm** Ms Boyle entered the meeting.

**3:20pm** Mr Hussey left the meeting.

**3:21pm** Mr Clarke entered the meeting.

**3:26pm** Mr Hussey entered the meeting.

**3:29pm** Mr Girvan left the meeting

**3:30pm** Mr Girvan entered the meeting.

**3:40pm** External advisers entered the meeting.

**4:22pm** Mr Clarke and Mr Rogers left the meeting.

**4:25pm** Mr Clarke entered the meeting.

**4:30pm** Mr Dallat left the meeting

**4:31pm** Mr Rogers entered the meeting.

**4:44pm** McKay declared an interest stating that he was a former member of the board of the Northern Ireland Fire and Rescue Service.

**4:45pm** Mr Dallat entered the meeting.

**4:50pm** Mr McKay left the meeting.

**4:53pm** Mr McKay entered the meeting.

**5. Inquiry into 'PSNI: Use of Agency Staff'**

**4:55pm** Mr Hussey declared an interest stating that he is chairman of the Audit Committee of the Northern Ireland Policing Board.

**4:55pm** Mr Hussey left the meeting.

**Correspondence from the PSNI**

The Committee noted correspondence from the PSNI about advice from the Treasury Officer of Accounts relating to procurement advice to PSNI.

*Agreed:* The Committee agreed to factor the information received into its draft report.

**Correspondence from the PSNI**

The Committee noted correspondence from the Chief Constable, Matt Baggott providing the additional information sought by it regarding the processing of applications and analysis of fixed term appointments awarded without open competition. The letter requested confidential treatment of certain names.

*Agreed:* The Committee agreed to redact the names of individuals from the response and further agreed to factor the information received into its draft report.

**Correspondence from DFP**

The Committee noted correspondence from Ms Fiona Hamill, Treasury Officer of Accounts regarding the response mechanism when CPD advice is not taken; and processes regarding off-payroll arrangements.

*Agreed:* The Committee agreed to factor the information received into its draft report.

**[EXTRACT]**

## Wednesday, 1 May 2013

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)

**Apologies:** Mr Michael Copeland  
Mr Sammy Douglas

**2:02pm** The meeting opened in public session.

**2:03pm** Mr Girvan, Mr Hazzard and Mr McQuillan entered the meeting.

**2:05pm** Mr McKay left the meeting.

**2:07pm** Mr McKay entered the meeting.

**2:28pm** The meeting went into closed session.

#### **Correspondence from the Northern Ireland Audit Office**

**2:28pm** Mr McKay declared an interest stating that he has previously acted of behalf of the author in his capacity as a former member of the Policing Board and was named in the correspondence.

**2:28pm** Mr Hussey declared an interest stating that he is chairman of the Audit Committee of the Northern Ireland Policing Board.

The Committee noted correspondence from Mr Kieran Donnelly, Comptroller and Auditor General providing an update on a matter previously referred during the course of its inquiry on 'PSNI: Use of Agency Staff'.

#### **6. Inquiry on 'PSNI: Use of Agency Staff'**

The Committee considered its draft report on 'PSNI: Use of Agency Staff'.

Paragraphs 1 – 7 read and agreed.

Paragraph 8 read, amended and agreed.

Paragraphs 9 – 10 read and agreed.

**3:20pm** Mr McQuillan entered the meeting.

Recommendation 1 read, amended and agreed.

Paragraph 12 read, amended and agreed.



Insertion of a recommendation agreed.

Paragraph 13 read, amended and agreed.

Paragraph 14 read and agreed.

Recommendation 2 read and agreed.

Paragraph 16 read and agreed.

Paragraphs 17 – 18 read, amended and agreed.

**3:47pm** Mr Dallat left the meeting.

Recommendation 3 read, amended and agreed.

**3:52pm** Mr Dallat entered the meeting.

Paragraphs 20 – 21 read, amended and agreed.

**3:57pm** Mr Girvan left the meeting.

Paragraphs 22 – 23 read and agreed.

**4:00pm** Mr Girvan entered the meeting.

Paragraph 24 read, amended and agreed.

Paragraph 25 read and agreed.

**4:07pm** Mr Rogers left the meeting.

*Agreed:* The Committee agreed to defer consideration of paragraph 26 until 8 May 2013.

Insertion of a recommendation agreed.

**4:10pm** Mr Rogers entered the meeting.

Paragraphs 27 – 32 read and agreed.

*Agreed:* The Committee agreed to defer consideration of paragraph 33 until 8 May 2013.

Insertion of a recommendation agreed.

Recommendation 4 read and agreed.

*Agreed:* The Committee agreed to give further consideration to the remainder of the report at its meeting on 8 May 2013.

**[EXTRACT]**

## Wednesday, 8 May 2013

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Ross Hussey  
Mr David McIlveen  
Mr Daithí McKay  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)

**Apologies:** Mr John Dallat (Deputy Chairperson)

**2:03pm** The meeting opened in public session.

**2:04pm** Mr Girvan and McIlveen entered the meeting.

**2:04pm** Mr Girvan and Mr McIlveen entered the meeting.

**2:10pm** The meeting went into closed session.

**2:16pm** Mr McKay left the meeting.

**2:20pm** Mr McKay entered the meeting.

**2:21pm** Mr McQuillan entered the meeting.

**2:28pm** Mr McIlveen left the meeting.

**2:31pm** Mr McIlveen entered the meeting.

**2:40pm** Mr Girvan left the meeting.

**2:45pm** Mr Copeland left the meeting.

**2:51pm** Mr Copeland entered the meeting.

#### 5. **Consideration of Draft Report on 'PSNI: Use of Agency Staff'**

**2:28pm** Mr McIlveen declared an interest stating that he is a member of the Northern Ireland Policing Board.

**2:28pm** Mr Hussey declared an interest stating that he is chairman of the Audit Committee of the Northern Ireland Policing Board and expressed concern that there is not full separation from the Policing Board in the Committee's inquiry.

**2:28pm** Mr Hussey left the meeting.

The Clerk briefed members on the handling of correspondence to witnesses in PAC inquiries.

**Draft Correspondence to the PSNI**

The Committee considered a draft letter to the Chief Constable seeking further information to assist deliberations in its inquiry.

**2:40pm** Mr Girvan entered the meeting.

**3:25pm** Mr McQuillan left the meeting.

**3:26pm** Mr Rogers left the meeting.

*Agreed:* The Committee agreed to issue the correspondence, as amended, to the Chief Constable.

*Agreed:* The Committee agreed to reflect on the minutes of evidence from its inquiry evidence sessions for completeness to ensure that all information sought has been provided.

**3:40pm** Mr Copeland left the meeting.

**Consideration of the Draft Report on 'PSNI: Use of Agency Staff'**

*Agreed:* The Committee agreed to defer consideration of the draft report until its next meeting on 15 May 2013.

**[EXTRACT]**

## Wednesday, 15 May 2013

### Room 29, Parliament Buildings

**Present:** Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Ross Hussey  
Mr David McIlveen  
Mr Daithí McKay  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)

**Apologies:** Ms Michaela Boyle (Chairperson)  
Mr Adrian McQuillan

**2:01pm** The meeting opened in public session.

**2:04pm** Mr Girvan entered the meeting.

**2:06pm** Mr Copeland entered the meeting.

**2:10pm** Mr McKay entered the meeting.

**2:10pm** Mr McIlveen declared an interest stating that he is a former estate agent.

**2:21pm** The meeting went into closed session.

**2:41pm** Mr Copeland left the meeting.

**2:52pm** Mr Copeland entered the meeting.

**2:40pm** Mr Girvan entered the meeting.

**3:25pm** Mr McQuillan left the meeting.

**3:26pm** Mr Rogers left the meeting.

**2:56pm** Mr Hussey left the meeting.

#### 6. **Consideration of Draft Report on 'PSNI: Use of Agency Staff'**

The Committee agreed to defer consideration of the report to a future meeting.

##### **Draft Letter to the PSNI**

The Committee noted a draft letter to the PSNI seeking some additional information in response to requests from members.

*Agreed:* The Committee agreed to forward the correspondence, as amended, to the PSNI; the Committee also agreed a draft letter to the Police Ombudsman to issue on receipt of the PSNI reply.

**[EXTRACT]**

## Wednesday, 22 May 2013

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Ross Hussey  
Mr David McIlveen  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Phil Pateman (Assistant Assembly Clerk)  
Mr Joe Westland (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)

**Apologies:** Mr Chris Hazzard  
Mr Daithí McKay

**2:03pm** The meeting opened in public session.

### 3. **Matters Arising**

#### **FOI Request**

The Clerk briefed the Committee on the approach taken in respect of a FOI request received relating to its inquiry on 'PSNI: Use of Agency Staff'.

*Agreed:* The Committee agreed in view of its intention to publish the correspondence with its report to reiterate that it would not disclose correspondence in advance of the report.

**2:05pm** The meeting went into closed session.

**[EXTRACT]**

## Wednesday, 19 June 2013

### Rooms 54 and 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Ross Hussey  
Mr David McIlveen  
Mr Daithí McKay  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mrs Hilary Bogle (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)

**Apologies:** None

**1:00pm** The meeting opened in closed session in Room 54.

**1:42pm** Audit Office officials joined the meeting

**2:03pm** Mr McIlveen left the meeting.

**2:05pm** The meeting was adjourned to re-convene in Room 29.

**2:12pm** The meeting re-convened in public session in Room 29.

**2:35pm** Mr McIlveen returned to the meeting.

**2:38pm** Mr Hussey joined the meeting.

**2:55pm** The Committee moved into closed session.

#### **5. Inquiry into the Police Service of Northern Ireland: use of Agency Staff**

**2:55pm** Mr Hussey declared a conflict of roles in this agenda item as Chairman of the Audit Committee of the Policing Board.

Mr Hussey left the meeting.

**2:55pm** Mr McIlveen declared an interest in this agenda item as a member of the Policing Board with no pecuniary interest.

Members noted correspondence from the Chief Constable in response to queries raised by the Committee in correspondence dated 8th and 15th May 2013.

Members noted correspondence between the Chief Constable and an MLA.

The Chairperson invited the C&AG and Mr Roger McCance, NIAO to brief the Committee on this issue.

**3:00pm** Mr Copeland and Mr Dallat left the meeting.

**3:05pm** Mr Dallat returned to the meeting.

**3:07pm** Mr Copeland returned to the meeting.

Following discussion on an issue Mr Clarke proposed that the Committee should consider the rest of the report.

The Chairperson put the question that the Committee should now consider the rest of the draft report.

**AYES**

Trevor Clarke  
Paul Girvan  
David McIlveen  
Michael Copeland  
Adrian McQuillan

**NOES**

Michaela Boyle  
John Dallat  
Seán Rogers  
Chris Hazzard  
Daithí McKay

The motion fell.

Following further discussion Mr McKay proposed that the Committee meet to agree the report when the Deloitte internal audit report into fixed term contracts awarded in PSNI has been received.

The Chairperson put the question that the Committee meet to agree the report when the Deloitte internal audit report into fixed term contracts awarded in PSNI has been received.

**AYES**

Michaela Boyle  
John Dallat  
Seán Rogers  
Chris Hazzard  
Daithí McKay

**NOES**

Trevor Clarke  
Paul Girvan  
David McIlveen  
Michael Copeland  
Adrian McQuillan

The motion fell.

The Committee considered correspondence from Supt Henderson seeking clarification of the PAC position re outstanding answers to Committee queries.

*Agreed:* Following discussion the Committee agreed that the Clerk should write to Superintendent Henderson to clarify that there are no outstanding issues and that the MLA referred to in the correspondence is not a member of the Public Accounts Committee.

*Agreed:* The Committee agreed that the issue would be further considered at a meeting to be convened next week.

**[EXTRACT]**

## Wednesday, 26 June 2013

### Room 115 and the Senate Chamber, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Mr Daithí McKay  
Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mrs Roisin Donnelly (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Jonathan Watson (Clerical Officer)

**Apologies:** Mr David McIlveen  
Mr Ross Hussey

**1:18pm** The Deputy Chairperson opened the meeting in closed session in Room 115.

### **3. Matters arising**

iii. The Committee discussed its consideration of Agenda Item 6, Inquiry on PSNI: Use of Agency Staff.

*Agreed:* The Committee agreed to defer consideration of this matter until its meeting on 3 July 2013

**[EXTRACT]**



## Wednesday, 3 July 2013

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr David McIlveen  
Mr Mr Daithí McKay  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Oliver Bellew (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)

**Apologies:** Mr Ross Hussey

**2:03pm** The meeting opened in public session in Room 29.

**2:06pm** Mr McQuillan joined the meeting

**2:18pm** the meeting moved into closed session.

**2:41pm** Mr McQuillan left the meeting

**2:42pm** Mr McQuillan rejoined the meeting

#### **8. Inquiry into PSNI: Use of Agency Staff – Consideration of correspondence**

**2:48pm** Mr Girvan and Mr McQuillan left the meeting

**2:51pm** Mr Girvan and Mr McQuillan re-joined the meeting

**3:38pm** Mr Copeland left the meeting

*Agreed:* The Committee agreed to suspend the meeting.

**3:56pm** the meeting resumed in closed session

**3:56pm** Mr Copeland re-joined the meeting

On a proposal by Mr Dallat:

*“That the Committee report on the PSNI: Use of Agency Staff is considered and ordered to be printed on 4 September 2013, providing the internal audit report has been received beforehand.”*

The Committee divided: Ayes 5; Noes 5

#### **AYES**

Ms Boyle  
Mr Dallat  
Mr Hazzard  
Mr McKay  
Mr Rogers

#### **NOES**

Mr Clarke  
Mr Copeland  
Mr Girvan  
Mr McIlveen  
Mr McQuillan

On a proposal by Mr Copeland:

*“That the Committee moves on with the consideration of the Report and orders it to be printed today; that the Committee report again later on the internal audit report, if required; and to comment in this report that the Committee considered its investigation was hampered by not receiving information in a timely manner which it considers as a delaying tactic to obstruct the work of the Committee.”*

The Committee divided: Ayes 5; Noes 5

**AYES**

Mr Clarke  
Mr Copeland  
Mr Girvan  
Mr McIlveen  
Mr McQuillan

**NOES**

Ms Boyle  
Mr Dallat  
Mr Hazzard  
Mr McKay  
Mr Rogers

On a proposal by Ms Boyle:

*“That the meeting is now adjourned until 4 September 2013.”*

The Committee divided: Ayes 5; Noes 5

**AYES**

Ms Boyle  
Mr Dallat  
Mr Hazzard  
Mr McKay  
Mr Rogers

**NOES**

Mr Clarke  
Mr Copeland  
Mr Girvan  
Mr McIlveen  
Mr McQuillan

**4:41pm** Mr McIlveen left the meeting

**4:43pm** Mr Copeland left the meeting

**4:50pm** Mr Girvan left the meeting

**4:52pm** Mr Girvan re-joined the meeting

On a proposal by Mr Clarke:

*“That the Committee proposes a Standards and Privileges investigation into correspondence between Assembly member Gerry Kelly and the PSNI in relation to PAC matters.”*

The Committee divided: Ayes 3; Noes 3; Abstentions 2

**AYES**

Mr Clarke  
Mr Girvan  
Mr McQuillan

**NOES**

Ms Boyle  
Mr Hazzard  
Mr McKay

**ABSTENTIONS**

Mr Dallat  
Mr Rogers

On a proposal by Mr McKay:

*“That the Committee postpones consideration of the PSNI Report until 11 September 2013”*

The Committee divided: Ayes 5; Noes 3

**AYES**

Ms Boyle  
Mr Dallat  
Mr Hazzard  
Mr McKay  
Mr Rogers

**NOES**

Mr Clarke  
Mr Girvan  
Mr McQuillan

**4:56pm** Mr McQuillan left the meeting

**4:56pm** Mr Clarke and Mr McKay left the meeting

**4:58pm** Mr Girvan left the meeting

**5:02pm** Mr McIlveen re-joined the meeting

**[EXTRACT]**

## Wednesday, 11 September 2013

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Ross Hussey  
Mr David McIlveen  
Mr Mr Daithí McKay  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Oliver Bellew (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)

**Apologies:** None

**2:09pm** The meeting opened in public session in Room 29.

**2:13pm** Mr Girvan left the meeting

**2.14m** Mr Girvan re-joined the meeting

**2:14pm** Mr Clarke left the meeting

**2:14pm** Mr McQuillan left the meeting

**2:15pm** Mr Clarke re-joined the meeting

**2:16pm** Mr McQuillan re-joined the meeting

- vii. The Chairperson reminded Members of a decision taken at the last meeting of the Committee not to seek an investigation by the Committee on Standards and Privileges into correspondence between Assembly Member Gerry Kelly and the PSNI in relation to PAC matters.
- viii. As a result of Mr Clarke's request that the motion be put again, prior notification had been given to members by the Committee Office. Members noted that should the proposal be upheld, the original Committee decision would be rescinded.

**2:56pm** Mr Hussey left the meeting

On a proposal by Mr Clarke:

*"That the Committee proposes a Standards and Privileges investigation into correspondence between Assembly Member Gerry Kelly and the PSNI in relation to PAC matters."*

The Committee divided: Ayes 4; Noes 3; Abstentions 3

**AYES**

Mr Clarke  
Mr Girvan  
Mr McIlveen  
Mr McQuillan

**NOES**

Ms Boyle  
Mr Hazzard  
Mr McKay  
Mr Rogers

**ABSTENTIONS**

Mr Copeland  
Mr Dallat  
Mr Hussey

**3:10pm** Mr Copeland left the meeting

**[EXTRACT]**

## Wednesday, 9 October 2013

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Alex Easton  
Mr Paul Girvan  
Mr Daithí McKay  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Oliver Bellew (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)  
Miss Clare Rice (Bursary Student)

**Apologies:** Mr Chris Hazzard  
Mr Ross Hussey

**2:05pm** The meeting opened in public session

**2:10pm** Mr Girvan joined the meeting

**2:11pm** the meeting moved to closed session

**2:42pm** Mr Clarke left the meeting

**2:45pm** Mr Clarke re-joined the meeting

**2:56pm** Mr Copeland left the meeting

**3:01pm** Mr Copeland re-joined the meeting

**3:09pm** External advisers joined the meeting

**3:18pm** Mr Rogers left the meeting

**3:23pm** Mr Girvan left the meeting

**3:26pm** Mr Rogers re-joined the meeting

**3:30pm** Mr Clarke left the meeting

**3:31pm** Mr Clarke re-joined the meeting

**3:36pm** Mr Girvan re-joined the meeting

**3:46pm** Mr Clarke left the meeting

**3:50pm** Mr Girvan left the meeting

**3:54pm** Mr McKay joined the meeting

**3:58pm** Mr Clarke and Mr Girvan re-joined the meeting

**4:00pm** Mr Easton left the meeting

**4:24pm** Mr Rogers left the meeting

**4:33pm** Mr Copeland left the meeting

**4:39pm** Mr Copeland re-joined the meeting

**4:42pm** Mr Clarke left the meeting

**4:44pm** Mr Clarke re-joined the meeting

**8. Inquiry into The Police Service of Northern Ireland: Use of Agency Staff – Correspondence on PSNI: Internal Audit Ad-Hoc Review of Governance over Fixed Term Contracts**

The Committee discussed the implications of the internal audit report in relation to its Inquiry into the PSNI: Use of Agency Staff.

*Agreed:* the Committee agreed to schedule consideration of its draft PSNI report for 16 October.

**[EXTRACT]**

## Wednesday, 6 November 2013

### Senate Chamber, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Alex Easton  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Trevor Allen (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer) Miss Clare Rice (Bursary Student)

**Apologies:** None

**2.05pm** The meeting opened in public session

**2.06pm** Mr Girvan joined the meeting

**2.08pm** Mr Clarke and Mr Dallat joined the meeting

**2.11pm** Mr Copeland and Mr Hazzard joined the meeting

**2.12pm** the meeting moved to closed session; the C&AG and NIAO Officials left the meeting

**2.15pm** an Assembly Legal Advisor joined the meeting

**2.23pm** the Assembly Legal Advisor left the meeting

**2.23pm** the C&AG and NIAO officials re-joined the meeting

**2.40pm** Mr Hussey left the meeting

**2.46pm** Mr McKay joined the meeting

#### **6. Inquiry into The Police Service of Northern Ireland: Use of Agency Staff - Consideration of Draft Report**

The Committee continued its consideration of the draft report on the Inquiry into The Police Service of Northern Ireland: Use of Agency Staff.

Paragraphs 37 – 39 read and agreed.

Paragraph 40 read, amended and agreed.

Paragraph 41 read and agreed.

**3.29pm** Mr Copeland and Mr Dallat left the meeting

**3.33pm** Mr Dallat re-joined the meeting

**3.34pm** Mr Copeland re-joined the meeting

**3.37pm** Ms Boyle left the meeting; Mr Dallat took the Chair



**3.40pm** Ms Boyle re-joined the meeting and resumed the Chair

**3.44pm** Mr Rogers left the meeting

Paragraph 42 read, amended and agreed.

**3.47pm** Mr Rogers re-joined the meeting

Paragraphs 43 – 44 read, amended and agreed.

Paragraph 45 read and agreed.

Paragraphs 46 – 47 read and agreed. A number of Members put on record their concerns in relation to the proposed amendments to paragraph 47.

**4.02pm** Mr Easton left the meeting

**4.04pm** Mr Dallat left the meeting

**4.08pm** Mr Dallat re-joined the meeting

**4.08pm** Mr McKay left the meeting

**4.10pm** Mr Easton re-joined the meeting

**4.14pm** Mr McKay re-joined the meeting

**4.16pm** Mr Girvan and Mr Copeland left the meeting

**4.18pm** Mr Dallat left the meeting and Mr Girvan re-joined the meeting

**4.27pm** Mr Dallat re-joined the meeting and Mr McKay left the meeting

Paragraph 48 read, amended and agreed.

**4.30pm** Mr McKay re-joined the meeting

**4.32pm** the meeting was suspended.

**4.42pm** The meeting resumed with the following Members present:

Ms Michaela Boyle (Chairperson)

Mr John Dallat (Deputy Chairperson)

Mr Trevor Clarke

Mr Michael Copeland

Mr Alex Easton

Mr Paul Girvan

Mr Chris Hazzard

Mr Daithí McKay

Mr Adrian McQuillan

Mr Seán Rogers

**4.54pm** Mr Copeland left the meeting

**5.02pm** Mr McKay left the meeting

**5.03pm** Mr McKay re-joined the meeting

**5.09pm** Mr Clarke left the meeting

**5.10pm** Mr Clarke re-joined the meeting

Paragraphs 49 – 50 read, amended and agreed.

*Agreed:* The Committee agreed to defer consideration of the remainder of the report until its meeting on 13 November 2013.

**[EXTRACT]**

## Wednesday, 13 November 2013

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Alex Easton  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Daithí McKay  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Trevor Allen (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)  
Miss Clare Rice (Bursary Student)

**Apologies:** Mr Ross Hussey

**1.42pm** The meeting opened in public session

**1.43pm** Mr Copeland joined the meeting

**1.44pm** Mr Clarke and Mr Girvan left the meeting

**1.47pm** Mr Girvan and Mr Clarke re-joined the meeting

**1.48pm** the meeting moved to closed session

**1.49pm** Mr Copeland and Mr Clarke left the meeting

**1.51pm** Mr Clarke and Mr Copeland re-joined the meeting

**2.15pm** Mr McKay left joined the meeting

#### **4. Inquiry into The Police Service of Northern Ireland: Use of Agency Staff - Consideration of Draft Report**

The Committee continued its consideration of the draft report on the Inquiry into The Police Service of Northern Ireland: Use of Agency Staff.

**2.24pm** Mr McKay re-joined the meeting

**2.24pm** Mr Dallat joined the meeting

*Agreed:* The Committee agreed to request advice from the Assembly's Legal Services Office in relation to an issue of concern to Members.

**2.33pm** Mr Copeland left the meeting

**2.36pm** Mr McKay left the meeting

**2.38pm** Mr Copeland re-joined the meeting

**2.40pm** Mr McKay re-joined the meeting

**2.59pm** Mr Dallat left the meeting

**3.00pm** Mr Dallat re-joined the meeting

**3.12pm** the meeting suspended

**3.21pm** the meeting resumed with the following Members present

Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Alex Easton  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Daithí McKay  
Mr Adrian McQuillan  
Mr Seán Rogers

Paragraphs 51 read, amended and agreed.

Paragraph 52 - 53 read and agreed.

**3.33pm** Mr McKay re-joined the meeting

**3.41pm** Mr Girvan re-joined the meeting

Paragraph 54 read, amended and agreed.

Paragraph 55 read and agreed.

**3.50pm** Mr Copeland and Mr Rogers left the meeting

Paragraph 56 read, amended and agreed.

**3.51pm** Mr Rogers re-joined the meeting

**3.52pm** Mr Easton left the meeting

**3.53pm** Mr Clarke left the meeting

**3.55pm** Mr McKay left the meeting

*Agreed:* Members having completed consideration of the body of the report agreed it subject to the legal advice and also agreed to defer consideration of the Executive Summary and final approval until the legal advice has been received and considered.

**[EXTRACT]**

## Wednesday, 27 November 2013

### Senate Chamber, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Alex Easton  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Daithí McKay  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Ms Lucia Wilson (Assembly Clerk)  
Mr Trevor Allen (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)  
Miss Clare Rice (Bursary Student)

**Apologies:** Mr Michael Copeland  
Mr Ross Hussey

**1:53pm** The meeting opened in public session

**1:54pm** Mr Clarke joined the meeting

**2:05pm** Mr McKay left the meeting

**2:05pm** Mr Hazzard joined the meeting

**2:06pm** Mr Girvan left the meeting

**2:20pm** Mr Hazzard left the meeting

**2:37pm** Mr McKay re-joined the meeting

**2:43pm** Mr Clarke left the meeting

**2:46pm** Mr Rogers left the meeting

**2:49pm** Mr Clarke and Mr Rogers re-joined the meeting

**2:58pm** Mr Hazzard re-joined the meeting

**3:12pm** Mr McQuillan left the meeting

**3:32pm** Mr Dallat left the meeting

**3:38pm** Mr Clarke left the meeting

**3:44pm** Mr Dallat re-joined the meeting

**3:57pm** Mr McKay left the meeting

**4:03pm** Ms Boyle left the meeting; Mr Dallat took the Chair

**4:04pm** Mr Clarke re-joined the meeting

**4:08pm** Ms Boyle re-joined the meeting and resumed the Chair

**4:09pm** Mr McKay re-joined the meeting

**4:43pm** Mr Hazzard left the meeting

**4:46pm** Mr McKay left the meeting

**4:51pm** Mr Hazzard re-joined the meeting

**4:52pm** Mr McKay re-joined the meeting

**4:59pm** the meeting moved to closed session

NIAO officials left the meeting

**6. Inquiry into the PSNI: Use of Agency Staff – Legal Advice**

**5:02pm** an Assembly Legal Advisor joined the meeting

The Committee received a briefing from the Assembly's Legal Services Office as agreed at the meeting of 13 October 2013.

**5:45pm** the Assembly Legal Advisor left the meeting

NIAO officials rejoined the meeting

**7. Inquiry into the PSNI: Use of Agency Staff – Consideration of draft report**

*Agreed:* Members considered and agreed a proposed amendment to paragraph 7 of the Executive Summary to the report, and an amendment to paragraph 17 of the report.

*Agreed:* The Committee agreed to consider the report early in its next meeting.

**[EXTRACT]**

## Wednesday, 4 December 2013

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Alex Easton  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Adrian McQuillan

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Ms Lucia Wilson (Assembly Clerk)  
Mr Trevor Allen (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)  
Miss Clare Rice (Bursary Student)

**Apologies:** Mr Seán Rogers

**2:10pm** The meeting opened in public session

**2:11pm** Mr Hussey left the meeting

**2:11pm** Mr Girvan and Mr McKay joined the meeting

**2:13pm** The meeting moved to closed session

#### **2. Inquiry into the PSNI: Use of Agency Staff – Consideration of Draft Report**

The Comptroller and Auditor General, Mr Neil Gray and Mr Richard Emerson of the Northern Ireland Audit Office joined the meeting.

The Committee continued its consideration of its report on the PSNI: Use of Agency Staff.

#### **Executive Summary**

Paragraph 1 read, amended and agreed

**2:42pm** Mr McQuillan joined the meeting

**2:47pm** Mr Copeland left the meeting

**3:00pm** Mr Copeland re-joined the meeting

**3:05pm** Mr Dallat left the meeting

**3:06pm** Mr Dallat re-joined the meeting

Paragraph 2 read, amended and agreed

**3:29pm** Mr McQuillan left the meeting

**3:29pm** The meeting moved to public session

**3:41pm** Mr McKay left the meeting

**3:44pm** Mr McKay re-joined the meeting

**3:50pm** Mr Copeland and Mr Hazzard left the meeting

**3:52pm** Mr Girvan left the meeting

**3:53pm** Mr Copeland re-joined the meeting

**3:54pm** Mr Hazzard re-joined the meeting

**3:57pm** Mr Girvan re-joined the meeting

**3:57pm** Mr Easton left the meeting

**4:05pm** The meeting moved to closed session

**4:11pm** Ms Boyle left the meeting; Mr Dallat took the Chair

**4:12pm** Mr Easton re-joined the meeting

**4:13pm** Mr Clarke left the meeting

**4:14pm** Mr Copeland left the meeting

**7. Inquiry into the PSNI: Use of Agency Staff – Consideration of Draft Report**

**4:15pm** Ms Boyle re-joined the meeting and took the Chair

**4:19pm** Mr Girvan left the meeting

**4:20pm** Mr Girvan re-joined the meeting

**4:21pm** Mr McQuillan re-joined the meeting

**4:24pm** Mr Clarke re-joined the meeting

**4:33pm** Mr Clarke left the meeting

**4:35pm** Mr Clarke re-joined the meeting

The Committee continued its consideration of its report on the PSNI: Use of Agency Staff.

Executive Summary, paragraph 3:

On a proposal by Mr McKay:

At the end of paragraph 3, insert additional suggested text.

The Committee divided: Ayes 4; Noes 4; Abstentions 0

**AYES**

Ms Boyle  
Mr Dallat  
Mr Hazzard  
Mr McKay

**NOES**

Mr Clarke  
Mr Easton  
Mr Girvan  
Mr McQuillan

The proposal fell.

On a proposal by Mr Clarke:

That paragraph 3, as drafted, do stand



The Committee divided: Ayes 4; Noes 4; Abstentions 0

**AYES**

Mr Clarke  
Mr Dallat  
Mr Easton  
Mr Girvan  
Mr McQuillan

**NOES**

Ms Boyle  
Mr Hazzard  
Mr McKay

The proposal carried that paragraph 3, as drafted, do stand.

**[EXTRACT]**

## Wednesday, 11 December 2013

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Alex Easton  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Ms Lucia Wilson (Assembly Clerk)  
Mr Trevor Allen (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)  
Miss Clare Rice (Bursary Student)

**Apologies:** Mr Adrian McQuillan

**1:46pm** The meeting opened in public session

#### **1. Inquiry into the PSNI: Use of Agency Staff – Consideration of Draft Report**

Mr Hussey declared an interest as Chairperson of the Audit Committee of the Policing Board and abstained from consideration of this item of business.

*Agreed:* The Committee agreed to defer consideration of this item of business until the meeting on 15 January 2014.

**[EXTRACT]**

## Wednesday, 15 January 2014

### Senate Chamber, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Alex Easton  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Ross Hussey  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Ms Lucia Wilson (Assembly Clerk)  
Mr Trevor Allen (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)  
Miss Clare Rice (Bursary Student)

**Apologies:** Mr Daithí McKay

**2:06pm** The meeting opened in public session

**2:07pm** Mr Girvan joined the meeting

**2:09pm** Mr Girvan left the meeting

**2:12pm** Mr Easton joined the meeting

**2:20pm** The meeting moved to closed session

#### **8. Inquiry into the PSNI: Use of Agency Staff – Consideration of Draft Report**

*Agreed:* The Committee agreed to defer consideration of this item of business until the meeting of 29 January 2014.

**2:21pm** Mr Hazzard left the meeting

**[EXTRACT]**

## Wednesday, 29 January 2014

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Alex Easton  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Ross Hussey  
Mr Daithí McKay

**In Attendance:** Miss Aoibhinn Treanor (Assembly Clerk)  
Ms Lucia Wilson (Assembly Clerk)  
Mr Trevor Allen (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)

**Apologies:** Mr Adrian McQuillan  
Mr Seán Rogers

**2:28pm** The meeting opened in public session

**2:30pm** Mr Clarke left the meeting

**2:50pm** Mr Hazzard joined the meeting

**3:06pm** Mr Copeland left the meeting

**3:07pm** The meeting moved to closed session

**3:10pm** Mr Clarke re-joined the meeting

**3:14pm** Mr Dallat left the meeting

**3:16pm** Mr Copeland re-joined the meeting

#### **4. Inquiry into the PSNI: Use of Agency Staff – Consideration of Draft Report**

The Committee agreed to defer consideration of the draft report to the meeting of 5 February 2014.

**[EXTRACT]**

## Wednesday, 5 February 2014 Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr Trevor Clarke  
Mr Alex Easton  
Mr Paul Girvan  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Ms Lucia Wilson (Assembly Clerk)  
Mr Trevor Allen (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)  
Miss Clare Rice (Bursary Student)

**Apologies:** Mr John Dallat (Deputy Chairperson)  
Mr Michael Copeland  
Mr Chris Hazzard

**2:07pm** The meeting opened in public session

**1. Inquiry into the PSNI: Use of Agency Staff – Consideration of Draft Report**

**2:09pm** Mr Girvan joined the meeting

**2:09pm** Mr Hussey declared an interest in this item of business as Chairperson of Policing Board's Audit & Risk Management Board.

*Agreed:* The Committee agreed to defer final consideration of the draft report to the meeting of 12 February 2014.

**[EXTRACT]**

## Wednesday, 12 February 2014

### Room 29, Parliament Buildings

**Present:** Mr Trevor Clarke  
Mr Michael Copeland  
Mr Alex Easton  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Ms Lucia Wilson (Assembly Clerk)  
Mr Trevor Allen (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)  
Miss Clare Rice (Bursary Student)

**Apologies:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Ross Hussey  
Mr Daithí McKay

In the absence of the Chairperson and Deputy Chairperson, the Committee agreed to elect a temporary chairperson. Mr Girvan proposed 'that Mr Rogers do take the chair of the Committee'; Mr Clarke seconded the motion. No further nominations were proposed, Mr Rogers took the Chair.

**2:14pm** The meeting opened in public session

#### **4. Inquiry into the PSNI: Use of Agency Staff – Consideration of Draft Report**

**2:18pm** Mr Hazzard joined the meeting

*Agreed:* The Committee agreed a final deferral of consideration of the draft report to the meeting of 19 February 2014.

Members noted the judgment, and summary judgment, on the applications by the Northern Ireland Public Service Alliance (NIPSA) and Vivienne McCord for Judicial Review.

**[EXTRACT]**

## Wednesday, 19 February 2014

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Alex Easton  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Ms Lucia Wilson (Assembly Clerk)  
Miss Aoibhinn Treanor (Assembly Clerk)  
Mr Trevor Allen (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)  
Miss Clare Rice (Bursary Student)

**Apologies:** None

**2:06pm** The meeting opened in public session

**2:12pm** Mr McQuillan joined the meeting

**2:21pm** Mr Copeland left the meeting

**2:22pm** Mr Copeland re-joined the meeting

**2:23pm** The meeting moved to closed session

**2:26pm** Mr McKay left the meeting

**2:37pm** Mr McKay re-joined the meeting

**2:44pm** Mr Hussey left the meeting

#### **4. Inquiry into the PSNI: Use of Agency Staff – Consideration of Draft Report**

The Committee continued its consideration of its report on the PSNI: Use of Agency Staff.

Executive Summary

Paragraph 4 read and agreed

**3:01pm** Mr Copeland left the meeting

Paragraph 5 read and agreed

Paragraph 6 to 8 read, amended and agreed

**3:08pm** Mr Copeland re-joined the meeting

**3:13pm** Mr Dallat left the meeting

**3:23pm** Mr Dallat re-joined the meeting

Paragraphs 9 and 10 read and agreed.

**3:26pm** Mr McQuillan left the meeting

**3:29pm** Mr McQuillan re-joined the meeting

Summary of Recommendations

Summary of recommendation read, amended and agreed

*Agreed:* Member agreed to consider the final draft of the Committee's report at the meeting of 26 February 2014.

*Agreed:* The Committee agreed the correspondence to be appended to the report, subject to a number of agreed redactions of personal information. It was also agreed to consider a further request for redaction at the meeting of 26 February.

*Agreed:* The Committee also agreed that any attachments to correspondence, considered by the Committee, and which are freely available online, would be listed as hyperlinks, rather than republishing them in full.

**[EXTRACT]**



## Wednesday, 26 February 2014

### Room 29, Parliament Buildings

**Present:** Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Alex Easton  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Ms Lucia Wilson (Assembly Clerk)  
Mr Trevor Allen (Assistant Assembly Clerk)  
Mr Darren Weir (Clerical Officer)  
Miss Clare Rice (Bursary Student)

**Apologies:** Ms Michaela Boyle (Chairperson)

**2.03pm** The meeting opened in public session

**2.04pm** Mr Girvan and Mr Clarke joined the meeting

**2.05pm** The meeting moved to closed session

**2.12pm** Mr Rogers joined the meeting

### 3. **Inquiry into the PSNI: Use of Agency Staff – Consideration of Draft Report**

**2.14pm** Mr Hussey left joined the meeting

**2.20pm** Mr McKay joined the meeting

The Committee continued its consideration of its report on the PSNI: Use of Agency Staff.

*Agreed:* The Committee agreed the correspondence to be included within the report

Executive Summary

Paragraphs 5, 7 and 8 read, amended and agreed

Summary of Recommendations

Recommendations 7 to 10 read and agreed

Body of Report

Paragraph 21 read and agreed

Recommendations 7 to 10 read and agreed

*Agreed:* The Committee ordered the report to be printed.

**[EXTRACT]**

## Wednesday, 12 March 2014

### Room 29, Parliament Buildings

**Present:** Ms Michaela Boyle (Chairperson)  
Mr John Dallat (Deputy Chairperson)  
Mr Trevor Clarke  
Mr Michael Copeland  
Mr Alex Easton  
Mr Paul Girvan  
Mr Chris Hazzard  
Mr Ross Hussey  
Mr Daithí McKay  
Mr Adrian McQuillan  
Mr Seán Rogers

**In Attendance:** Ms Lucia Wilson (Assembly Clerk)  
Mr Trevor Allen (Assistant Assembly Clerk)  
Mrs Danielle Saunders (Clerical Supervisor)  
Mr Darren Weir (Clerical Officer)  
Miss Clare Rice (Bursary Student)

**Apologies:** None

**2.10pm** The meeting opened in public session

**2.11pm** Mr Dallat left the meeting

**2.13pm** Mr Dallat re-joined the meeting

**2.14pm** Mr Copeland joined the meeting

**2.18pm** Mr Rogers joined the meeting

**2.18pm** Mr Girvan left the meeting

**2.19pm** Mr McKay joined the meeting

**2.20pm** Mr Girvan re-joined the meeting

**2.33pm** Mr Clarke left the meeting

**2.42pm** Mr Clarke re-joined the meeting

**2.44pm** Mr Hazzard joined the meeting

**2.50pm** Mr Hussey joined the meeting

**2.58pm** Mr Hussey re-joined the meeting

**2.59pm** Mr Rogers left the meeting

**3.02pm** Mr Rogers re-joined the meeting

**3.16pm** Mr Copeland left the meeting

**3.27pm** Mr Copeland re-joined the meeting

**3.30pm** Mr McQuillan left the meeting

**3.33pm** Mr McQuillan re-joined the meeting

- 3.37pm** Mr McQuillan left the meeting
- 3.41pm** Mr Clarke left the meeting
- 3.43pm** Mr Clarke re-joined the meeting
- 3.44pm** Mr McQuillan re-joined the meeting
- 3.52pm** Mr McKay left the meeting
- 3.58pm** Mr McKay re-joined the meeting
- 4.00pm** Mr Dallat and Mr Girvan left the meeting
- 4.01pm** Mr McQuillan left the meeting
- 4.01pm** Mr Girvan re-joined the meeting
- 4.01pm** Mr Hussey left the meeting
- 4.02pm** Mr McKay left the meeting
- 4.33pm** Mr Copeland left the meeting

**4. Matters Arising**

- 5.07pm** the meeting moved to closed session

Correspondence from the Mr Mike Brennan, Budget Director, Department of Finance and Personnel on the Committee Report “PSNI: Use of Agency Staff”

*Agreed:* The Committee further considered and agreed to a request for a redaction from the appendix to its report on PSNI: Use of Agency Staff.

**[EXTRACT]**





Northern Ireland  
Assembly

Appendix 2

# Minutes of Evidence



# 10 October 2012

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

Ms Michaela Boyle (Chairperson)  
 Mr John Dallat (Deputy Chairperson)  
 Mr Sydney Anderson  
 Mr Trevor Clarke  
 Mr Michael Copeland  
 Mr Paul Girvan  
 Mr Daithí McKay  
 Mr Mitchel McLaughlin  
 Mr Adrian McQuillan  
 Mr Seán Rogers

## Witnesses:

Mr Nick Perry	<i>Department of Justice</i>
Mr Sam Pollock	<i>Northern Ireland Policing Board</i>
Chief Constable Matt Baggott	<i>Police Service of Northern Ireland</i>
Deputy Chief Constable Judith Gillespie	<i>Police Service of Northern Ireland</i>

## Also in attendance:

Mr Kieran Donnelly	<i>Northern Ireland Audit Office</i>
Mr Neil Gray	<i>Northern Ireland Audit Office</i>
Ms Fiona Hamill	<i>Department of Finance and Personnel</i>

- The Chairperson:** Today, we are considering the C&AG's report on the PSNI's use of agency staff. Does any member want to declare an interest?
- Mr McKay:** I declare an interest as a past member of the Policing Board.
- Mr S Anderson:** I have relatives who are serving with the PSNI and others who were members of the RUC.
- Mr Copeland:** I am a past member of the Policing Board, and I have family members who are serving in the PSNI, as well as those who used to serve in the Royal Ulster Constabulary.
- The Chairperson:** Last week, I stated that I was taking advice on a potential interest. I have been advised that I do not need either to put the interest on record or to withdraw from proceedings. However, to avoid any misunderstanding, and having discussed this with you last week, I declare that I was involved in a court case in 1997 with the then RUC. That does not have a bearing on this meeting or its content, which concerns the hiring of agency staff.
- I also declare an interest as a former chairperson of the Strabane Community Safety Partnership and as a former member of the Strabane District Policing Partnership.
- Today's session may be long. If members are content, halfway through the questioning, we will take a 10-minute comfort break.
- Mr Nick Perry, who is the accounting officer for the Department of Justice (DOJ), is here to respond to the Committee. You are very welcome, and I invite you to introduce your team.
- Mr Nick Perry (Department of Justice):** Thank you very much. With me are Chief Constable Matt Baggott, Deputy Chief Constable Judith Gillespie and the chief executive of the Policing Board, Sam Pollock.
- The Chairperson:** A chairde, tá fáilte romhaibh inniu. Friends and invited guests, I welcome you all here today on behalf of the Public Accounts Committee. I thank those who have been specially invited to give evidence: the PSNI Chief Constable, Mr Matt Baggott; Deputy Chief Constable, Judith Gillespie; the chief executive of the Policing Board, Mr Sam Pollock; and the permanent secretary of the Department of Justice, Mr Nick Perry. The Committee is also very pleased to have the Comptroller and Auditor General, Kieran Donnelly, and his team here.

11. To provide a background to this evidence session, I will refer to the vision that was set out by the Independent Commission on Policing. The Patten report made it clear that it was in the interest of financial accountability that the Chief Constable and others be called before this Committee to give evidence. The Patten report also set out the powers and the purpose of the Policing Board in the discharge of its legal duty to hold the police and the Chief Constable to account. I know that members of the Policing Board met with the Chief Constable last week, and they will meet again tomorrow.
12. As Chair of the Committee, I acknowledge the co-operative approach shown by the Policing Board in the discharge of its duties, in which it has respected the remit of the Public Accounts Committee. It is vital that we foster public confidence and that all these institutions can be shown to function effectively and, when needed, collectively. For that reason, I am especially pleased to note the Comptroller and Auditor General's role.
13. The Patten report foresaw a special role for the Audit Office in the accountability framework. Essential to the new beginning to policing, recommendations 26 and 42 specifically referred to the Audit Office's expertise in ensuring accountable policing. That is why I welcome the Comptroller and Auditor General's report.
14. Members of the Committee will table questions on the report, but before that, I will comment briefly on the premise for the Audit Office report and the related public interest. As the Comptroller and Auditor General set out in paragraph 1.2 of the report, the Patten report said:
- "it was 'essential that the police service should be representative of the society it polices'".*
15. To that end, a package of special measures was introduced, underpinned by huge public investment. Achieving a representative policing service required changes in the composition of not only police officers but the civilian staff. In fact, the Patten report stipulated
- that urgent steps be taken to secure a distribution that reflected the religious balance in the civilian workforce. In paragraph 14.13, the proposals for change are made clear:
- "It is important that the same principle of a balanced and representative workforce should also apply to the civilian staff. It would be illogical to argue for diversity in the officer ranks while leaving the civilian staff unchanged — especially if many jobs now held by officers are to be progressively civilianised."*
16. On that basis, the public were asked to invest faith and funding in creating the basis for a new beginning to policing. As an MLA, signed up to the Good Friday Agreement and Patten, I believe that that faith has been abused and that funding has been misused. The public deserve to know when, how and why this has happened, and who is responsible.
17. To me, this report reveals two conflicting cultures in the PSNI: those who are committed to public service versus those who are engaged in self-service. I hope that today provides us with some answers to those questions and the many questions of the Committee.
18. This is my final thought as I open today's proceedings. Recommendation 37 of the Patten report states:
- "The police service should take steps to improve its transparency. The presumption should be that everything should be available for public scrutiny unless it is in the public interest — not the police interest — to hold it back."*
19. Much of the information that is in this report has taken a long time to come before the public, so it will be important to discover why it was held back. In whose interest was that? Was it in the police interest, the public interest or some other interest? Why were we kept in the dark about it? Accountability and affordability are the two sides of one coin: public services that are not accountable and affordable.
20. Thank you for your patience and time.



21. I will lead in to my questioning of Mr Perry. Mr Perry, you are quite welcome here today again. I want to start by saying that the report is quite startling. It certainly raises a lot of questions that need to be answered. Almost 40% of all temporary workers were former police officers. On average, they were employed for much longer than temps who were not former police officers. In all, nearly 20% of Patten retirees were re-employed by the PSNI as temporary staff. Do you agree that that situation was out of control at the time?
22. **Mr Perry:** I will start by saying that the Department welcomes this very thorough Audit Office report. As the Chief Constable has said elsewhere, there are lessons here not just for the PSNI but for the Department.
23. Of course, I welcome the report's confirmation that the use of temporary staff was both necessary and represented value for money. The specifics of which staff were recruited to those roles and where they were deployed were an operational matter for the PSNI, overseen by the board. Perhaps I could put that into context for a couple of minutes.
24. The report has identified some governance weaknesses. I believe that those weaknesses have been addressed since devolution and that stronger arrangements are now in place. From the Department's perspective, we, of course, accept all the report's recommendations.
25. As you said, Chair, governance is somewhat complex in this area because of the dual accountability arrangements. For almost all policing matters, as you say, the Chief Constable is responsible to the Policing Board, but as accounting officer, he has a responsibility to the departmental accounting officer.
26. The governance framework attempts to align those responsibilities in the following way. The Department seeks to assure itself that the overall use of resources is appropriate at a strategic level. The management statement sets out the levels of delegation to the Chief Constable, and the Department looks at certain business cases under those delegations. However, the detail of implementation is left to the PSNI, overseen by the Policing Board, to avoid the Department encroaching on the Chief Constable's operational responsibility or cutting across the board's statutory responsibilities to hold the police to account.
27. So, there have been a number of changes to governance arrangements that I can talk about as we go through. I think that we are in a better place than we were in 2004, certainly, and we are, indeed, better than we were in 2008 and 2009. Overall, the governance structures over this period worked well in view of, as you mentioned, the huge investment in policing and the transformational change that was delivered over the period.
28. There are some particular issues in this report that did not go as they should have, and I hope that they have now been put right.
29. **The Chairperson:** Thank you, Mr Perry. You said that it worked well but not in every quarter. Why did it take so long to get a grip on this issue?
30. **Mr Perry:** I think that the particular issue of the use of temporary staff in the police has been a matter of discussion between the police and the Policing Board right back to 2001 and 2002 and certainly throughout this period. That was the governance arrangements working as they should. The mix of staff that the Chief Constable uses to achieve his objectives is an operational matter for him, overseen by the board. It is not a matter in which the Department should involve itself directly.
31. **The Chairperson:** Mr Perry, it is obviously cheaper to employ civilians on short-term assignments. That was felt at the time. Why has the PSNI not moved to civilianise more posts until now?
32. **Mr Perry:** The Chief Constable is better placed to answer that.

33. **Chief Constable Matt Baggott (Police Service of Northern Ireland):** It would be helpful if I said a few words at the beginning, if that is acceptable. First, we welcome the report. We invited it and have fully co-operated with it, and you have my absolute assurance that it will be used wisely, with the Policing Board, as an opportunity to further improve our governance, oversight and value for money. We have accepted all the recommendations fully, and they will be the subject of continual scrutiny by the Policing Board and our internal audit committee, which comprises representatives from all the relevant agencies and departments.
34. I am pleased that the report notes significant progress over the past two years. That is a consequence of our tight governance but also of the fact that, since the devolution of policing and justice, the whole framework within which we are able to plan and use our resources has changed significantly. We are now in a four-year planning cycle with clear medium-term resource plans and efficiency plans, and because of that, we are able to profile and predict the numbers that we need with a far greater degree of clarity.
35. I was not here pre-2009 during those enormous years of churn, where something like 8,000 police officers left the organisation alongside the existence of a whole range of budgetary constraints, particularly the 2007 comprehensive spending review. That was not so easy or predictable. That said, I think that it is right that I am straightforward about what I said last week. I think that the public concern on this issue is a product of two things: first, far more inclusive oversight arrangements; and secondly, a far greater degree of scrutiny being applied by the Policing Board. I said several months ago in public that when we became aware of that public concern, to some degree, the lack of control over the returning of former police officers did not feel good. That is different from saying that there are not occasions when it was fully justified, and we will go into that in some detail.
36. However, first, there was an issue for me about the spirit of Patten, and I am very mindful that we could have paid more attention to that. Secondly, the report is very clear that, in 2007, the corporate grip on the numbers returning needed to be tightened. That comment was made in an internal PSNI report and was not something that was done to the PSNI. There were reasons for that, some of which rest in the Patten recommendations, which talk about a very highly devolved structure, with people being responsible totally for budgets and salaries and predicting what needed to be done. I think that we could have had a tighter grip in 2007, and I have been very open about that, in spite of the consequences. As you said at the beginning, Chair, there is an issue of accountability. Some of that is a reflection of what now needs to be done to raise public confidence in the Policing Board's role. We are having conversations with the board about that at the moment. However, there is an issue with individuals coming back to work for the organisation and their accountability to the ombudsman and to oversight arrangements. I have to give credit to the Policing Board on that in that the questions that it asked about that are ahead of the rest of the United Kingdom. There has been a bigger debate with the return of G4S and other big companies taking over policing functions, and as we enter a recession, those questions are now being asked by other people about other police forces. So, they have been ahead of the game on that.
37. I mentioned understanding the consequence in the context of the spirit of Patten. The corporate grip in 2007 on the numbers coming back, the need to have a tighter central oversight of that and accountability were issues. It is very helpful to look at a perspective from the pre-devolution of policing and justice and the post-devolution of policing and justice, where we are into four-year planning, coming off rigid 7,500

- establishment numbers and where we are able to profile our workforce to far greater effect.
38. **The Chairperson:** Thank you, Mr Baggott. To go back to your remarks about paying more attention to Patten, I am sure that members around this table today will agree with me that that should have been set in stone. No matter who was responsible, Patten should have been about everybody paying attention to detail. Given what you just said, why are so many back-office roles still being performed by police officers under your watch?
39. **Chief Constable Baggott:** Thanks for that. The report talks about significant improvements, very tight governance and justification. I think that the issue here is justification. The report is clear about the use of temporary staff with uncertain financial futures where short-term pieces of work were concerned and where there were employment constraints in refusing employment to people who have a right to apply for jobs. We have very tight governance now. We have an oversight of corporate risk, which relates to a forum that my deputy called the resource to risk forum, where we look at the whole resource distribution. We have a resourcing forum where every single temporary post is analysed and justified. We have monthly reports to the Policing Board on the numbers of temporary staff and the costs that are involved in that. Therefore, overall, the sheer oversight of this has improved significantly, and rightly so. However, the report is also very clear that there is a justification and a need for temporary staff, particularly given that I cannot predict where the next comprehensive spending review is going to go. There is undoubtedly a need to bring back some policing skills, although they have to be absolutely held accountable to the ombudsman in the same way as their regular colleagues, and they have to be subject to that constraint.
40. There are short-term pieces of work and projects that need to be fulfilled, such as supporting the coroner and others.
- So, the issue for me is not about the legitimacy of temporary staff or the return of some policing skills. We would not be able to break employment law on this, but there are several questions to be asked. First, can every single post be justified and stood over? Secondly, are there separate audit facilities to make sure that that is justified? Finally, is the Policing Board fully involved in that?
41. **Deputy Chief Constable Judith Gillespie (Police Service of Northern Ireland):** If I may add to that, Chair, it is the vision of the service executive team of the Police Service of Northern Ireland that we should be as representative as possible of the community that we police. That representation is about not just the officers who wear the PSNI uniform but the staff who work in support functions as temporary staff and as part of the managed service contract that is, rightly, undergoing scrutiny by the board. We would ideally like to get into a broader strategic conversation with the Policing Board and the Equality Commission that would involve a review of our whole human resource strategy, involving permanent police officers, permanent police staff, managed services and temporary staff. We would take whatever recommendations might come out of that review seriously and take them forward so that we are seen not just to comply with the spirit of equality legislation but to commit to it. We would welcome that conversation on a broader level, and we would welcome taking time to do it with the Policing Board.
42. **The Chairperson:** That brings me to my next point. I am glad that you raised the equality issues and the conversation that needs to be had with the Equality Commission. I think that that conversation is long overdue; it should have happened a long time ago.
43. I see from the report that the PSNI has never carried out an equality impact assessment (EQIA) on the use of temporary staff. Why has that not happened?
44. **Deputy Chief Constable Gillespie:** With the benefit of hindsight, we absolutely

- concede that we ought to have screened the policy of the use of temporary staff and, depending on the outcome of that screening, conducted a full equality impact assessment. Unfortunately, in 2012, we cannot fix that, given that it related to what happened between 2001 and 2011. However, we can fix it going forward. We are absolutely up for that conversation. I can say that, as an organisation, PSNI has been breaking new ground with its equality, diversity and good relations strategy. We are the first public sector organisation to have an integrated equality, diversity and good relations strategy, which the Equality Commission approved just recently. So, we are showing that we are prepared to go the second mile in this area and not just to comply with the legislation but to utterly commit to it. We would welcome that broader conversation. We cannot put right what happened in the past, but we can certainly deal with it now and work going forward.
45. **Chief Constable Baggott:** I absolutely 100% endorse what my deputy has said. Some of this requires us to be legally audacious. There are constraints in what we can and cannot do. I know that nobody would expect us to break the law, but we are prepared to take risks on this for the greater good. Public confidence in our workforce mix, learning how we might improve that and navigating our way around some of the constraints is really important. Therefore, you have our absolute assurance on this. Working with the Policing Board, if we are able to be legally audacious and take some risks, we will certainly do that.
46. **The Chairperson:** I want to reiterate that you have section 75 mainstream in your organisation, but it is not reflective of what you have actually done in the past. Do you have any information on the impact on section 75 groups that may have happened, by gender? It is my belief that no females have been rehired. Is that right?
47. **Deputy Chief Constable Gillespie:** Oh yes, there have been females rehired.
48. **The Chairperson:** Do you have an idea of the breakdown by gender?
49. **Deputy Chief Constable Gillespie:** I do not. Our section 75 responsibility is about political opinion and religion. Of course, we have a wider equality duty, shared with the Policing Board, to produce a gender action plan. Therefore, I take the issue of gender equality very seriously. I can come back to the Committee with the breakdown by gender of those staff. We in the PSNI do not hold that information centrally because we are not the employer. However, as the Chief Constable has said, we are willing to be lawfully audacious in monitoring the make-up of temporary staff, and if we can help the Committee in that regard and help the board to fulfil our equality duties, we are absolutely prepared to do that.
50. **The Chairperson:** I am sure that the Equality Commission will advise how you go about that. For members' information, would it be possible to provide written evidence of the gender and religious breakdown of those who have been rehired?
51. **Deputy Chief Constable Gillespie:** We have information on those who were ex-police officers. The PSNI does not hold information on their community background. That is held by their employer and is supplied to the Equality Commission by the employer. We are prepared to be as creative and lawfully audacious as we possibly can in this area, but we cannot step outside the bounds of law.
52. **The Chairperson:** That is something that we can acquire from the Equality Commission.
53. Mr Baggott, surely the extensive use of temporary staff over a long time must have had major equality implications, and we have heard those and the reasons and the rationale for that. There was no consultation at all with the Equality Commission, and you have said that that is a conversation that is going to happen now.

54. I will move on to the next question. Your letter of 3 October suggests that the information relating to the English language transcribers was provided in error by Grafton. That is on page 33, figure 14. I understand that it was the PSNI that provided that information to the Audit Office. Why was that inaccuracy not spotted before you handed it over?
55. **Chief Constable Baggott:** My understanding was that that was provided by Grafton. We do not employ these people.
56. **The Chairperson:** OK. Thank you. We will now move to members' questions. We have agreed that members should be called, and we have an order.
57. **Mr Clarke:** On a point of order, Chair. I thought that it was the intention that if there was a supplementary question, we would be permitted to advance that. I indicated about 10 minutes ago in relation to that.
58. **Mr McKay:** So did I.
59. **Mr Clarke:** I thought it was just going into a private meeting between you and the Chief Constable, with the rest of us being excluded.
60. **The Chairperson:** No, that is not the case. That is not what the Committee is about, so I will allow you the opportunity to have your question, Trevor.
61. **Mr Clarke:** I feel very privileged, thank you very much.
62. I am someone who did not vote in respect of the Patten reform and is not a particularly strong supporter of it, because basically it raped and destroyed the Police Service into what we have today. If it had not done what it did, we would not have needed to rehire people to do a particular job. I think there was a rape and burn at that particular time. The Chairperson was very careful to quote one part of the Patten reforms, but recommendation 91 states:
- "The Policing Board and the police service should initiate a review of police support services with a view to contracting out those services where this will enhance the efficient management of resources ... allowing "management buy-outs" of support services by police officers or civilian employees interested in continuing to provide those services as a private sector company".*
63. How would you, Chief Constable, relate that to the report? Could you not suggest that some of the actions are in the spirit of the Patten proposals, particularly recommendation 91? Although the Chair has picked out one aspect of it, on my reading of the report, I have to say, I am a wee bit disappointed. This is my second day here. We had our first opportunity with the Northern Ireland Audit Office last week, but it was held in private session. I have criticisms of the report, but, unfortunately, we are not in public session to criticise it today. However, I would like that opportunity, because, although some want to focus on what they see in the report, I think there are also criticisms of the Audit Office and the way in which it has conducted the report.
64. **Chief Constable Baggott:** I will make a general statement first of all. I think that the benefit of Patten is what we see today, which is an organisation in which the public generally have an increased confidence, across all communities, and that is growing. It led to the devolution of policing and justice powers, with the political confidence to bring that about. As a result of that, I have been able to negotiate, for the first time, a four-year plan with a four-year investment, with tight control around efficiencies and resources. I have been able to plan significantly better in relation to a revised policing plan, which the Policing Board has worked with me on. So we are now able to address quality of service, serious organised crime and the sadness of continued paramilitary threat; deal with child abuse; tackle a whole raft of issues into the future that we simply could not do before; and produce £135 million worth of efficiency savings, which I still have to do over the next two years. I think that is the prize of Patten. It is an inclusive police service working with communities in a way that it has not been able to do before.

65. For me, leaving aside recommendations about confidence, Patten was all about inclusivity. You are right that the Patten report does not mean to say that we could not bring temporary staff in or that we should avoid employment law. It does not mean to say that we should live beyond our means. All those things were very real, looking back as an independent observer on those years leading up to the devolution of policing and justice powers. However, I do think there has been a prize from Patten that is fundamentally worthwhile, which is where we are today and the involvement of people who simply would not have been involved in policing before.
66. I come back to the report. It actually does say that there are good arguments for the use of temporary staff. There are value-for-money arguments in relation to that, particularly in an uncertain financial future when you have short-term bits of work — some about crime threat and some about requirements made by others — for which it would be wrong to employ people over a 35-year career profile when you do not know what the budget is going to look like. Every organisation uses temporary staff. It is more sensitive for the PSNI, because that can involve officers returning.
67. For me, the issue is that we have to have a good corporate grip of that. The report has shown us that our arrangements are sound, but I think they can be improved even further. I do not want to cherry-pick Patten. I want to take it as an entire package, which the PSNI complied with. To be frank, and in fairness to my former colleagues, to have gone through a change programme of 8,000 people leaving, 80,000 staff movements and an uncertain budget is a world-class task that they have performed. That is not to say that it could not have been done better with hindsight, and the report also points that out.
68. **Mr Clarke:** Chairperson, you used the terminology, “get a grip”. The Chief Constable talked about getting a grip of the aspects of this. In relation to your — or your predecessor’s — knowledge of the service and Grafton Recruitment, I think this is why I raised the point earlier. At what period would you have notified the Policing Board about the recruitment processes and how many had been rehired? I am asking that because I think that that is where there is a slight conflict. Some of the members who were previously members of the Policing Board were already in receipt of this information going back a number of years. Today, however, they are going to be asking questions about the same thing. Had you a mechanism to report that to the Policing Board? How often did it take place?
69. **Chief Constable Baggott:** One of the things that I think it would be very helpful to do, and it is an invitation I will be making to the Policing Board tomorrow, is to commission an independent audit of the information that has been provided to the Policing Board by the PSNI over the past 10 years in relation to contracted-out services and the use of temporary staff. I think that because there has been some confusion about this, and I think sometimes the corporate memory gets lost. I have a timeline which shows that, in a number of years, information was provided to the Policing Board about the number of temporary staff, the cost of that and the number of returning police officers. That continued for a number of years. There was a gap, and then it was gone back to in 2011. I have been clear about that. I think we needed to be transparent about that with the Policing Board. Within six weeks, that information was provided.
70. I think I do need to clarify some of this. I will stick to this positive note: the important thing is that we need to be working with the Policing Board to make sure those reporting arrangements meet their scrutiny needs and are fully understood by us and the PSNI. I have a timeline of reports. I have a timeline of a report being commissioned by an external auditor in 2008 on contracted-out services. It gave the PSNI a fairly clean bill of health at the end of 2008. I think that that needs to be clarified.

- There were reports. I do not think it was consistent, sufficiently, but I do not think that that is a matter of PSNI or Policing Board blame. For me, it is an opportunity to use this report to clarify that and tighten it looking into the future.
71. **Mr Clarke:** I want to expand it slightly, because while I appreciate that you have a piece of work to do in relation to that, I do not think you nailed the answer. Over the time from the rehiring of this contract in 2004 right up until 2011, approximately how many times would the Policing Board have been notified about the employment from Grafton Recruitment of civilian staff and rehired police staff? I think that is what I would like to know.
72. **Deputy Chief Constable Gillespie:** The breakdown of our police officer and staff complement is provided to the board on at least a bi-monthly and, possibly, a monthly basis.
73. **Mr Clarke:** Since 2004?
74. **Deputy Chief Constable Gillespie:** Since 2004, and, indeed, before that. The breakdown in respect of their previous employment record was provided on a number of occasions from 2002 to 2011. There are regular reports of the breakdown of our staff, including temporary staff, to the board's human resources committee and the resources and improvements committee.
75. **Mr Clarke:** I am still on the same theme, Chairperson.
76. **The Chairperson:** Michael is looking to get in.
77. **Mr Clarke:** Yes, but I am on a particular thread and I want to finish my point. Since 2004, was there any objection from the Policing Board in relation to the rehiring of police officers, up until this report was commissioned?
78. **Deputy Chief Constable Gillespie:** I am aware that there were discussions in the human resources committee. There were a number of concerns raised about the Grafton contract and about the efforts being made to outreach to make sure that temporary staff were as representative of the community we serve as possible, and there were concerns expressed about the number of ex-police officers being engaged. Yes, those discussions took place in the human resources committee.
79. **Mr Clarke:** Who was chair of the human resources committee when those concerns were being raised?
80. **Deputy Chief Constable Gillespie:** It passed through a number of chairs. I am sure that it is a matter of record, and it would not be difficult to advise the Committee of that.
81. **Mr Clarke:** Can we get that information?
82. **The Chairperson:** We would appreciate getting that information.
83. **Mr Copeland:** I begin by reiterating a degree of understanding and sympathy for those who have been charged with upholding the law in this part of the United Kingdom in the past, present and future. However, no matter how real those sympathies are, we have before us today a report. Our duties in respect of the report are quite clear and must take primacy over the older and, perhaps, finer feelings. No matter what way you cut this, there has been expenditure of a fairly substantial amount of public money, and there have been question marks over the expenditure of that amount of public money. Anyone who handles public money has a degree of responsibility for holding and spending it. Someone somewhere must have had a responsibility to ensure that the circumstances that have arisen in this document could not, would not and should not — in this case, they did, unfortunately — occur. I am trying to establish whether that level of responsibility, in your opinion, was resident in the Police Service or the oversight body. What mechanisms that should have been in place to ensure that we would not be sitting here with this document today were in place? More importantly, why did they not work? I am not worried about what we will do

- in the future or what we did before; it is this piece of paper which exercises me.
84. **Chief Constable Baggott:** As you would expect, there will be two overriding principles behind what I am going to say: the first is fairness, and the second is objectivity, looking back into a period when I was not the Chief Constable with my command team. If I were an oversight body, I would probably look at a number of things. First, did the budget balance every year? It did. Was it at any time overspent? It was not. That is the first indicator. Secondly, where there any occasions when the accounts were qualified? There were not. Thirdly, did the use of temporary staff exceed the Northern Ireland public sector average at any time? The report is very clear that, even at the peak of the view that it was running out of control in 2007, it was 6.8% when the average is 7%. What percentage of the budget was being spent on temporary staff? It was about 3% at the time. Were audits being carried out by internal audit to make sure that expenditure was justified and that the duties of the sub-accounting officer on public money were being adhered to? Again, there was a clean bill of health there. For an organisation that is accountable for about three quarters of a billion pounds of public money in annual turnover, those high-level indicators pointed in the right direction.
85. That does not justify the fact that, in the context of public confidence and justifying every post, particularly those that the report identifies that really should have been turned from temporary staff into permanent staff or reviewed, the corporate mechanisms or the corporate grip was not sufficient in 2007. That said, that criticism comes from an internal HR report, which is one of three HR plans that were produced during that period to try to track and keep a grip of the use of temporary staff and permanent civilian staff.
86. I have no doubt that we will come back to the issue of contracts. There was a valid criticism in the report. Against today's standards, it might have a different view of contracts. The report was very clear that contract management standards have improved significantly over the past 10 years, with a far greater degree of scrutiny. For the years 2004, 2008, 2009 and 2011, the question is: was NIO procurement advice taken? The audit trail shows that it was, and explanations were given. So, you could say that the Policing Board was exercising a degree of oversight. Do I think that it was tight enough and do I think it can be improved? Do I think we need to improve it? The answer to all those questions is yes, and we have a great opportunity now to so do through this report.
87. **Mr McQuillan:** Were there any external audits of the reports from 2002 and 2004? Who carried those out?
88. **Deputy Chief Constable Gillespie:** Aside from our internal audit, which has reviewed all procurement and contracts every year since 2006 and given us a satisfactory assurance level every year, an external consultancy report, commissioned by the Policing Board, was carried out on some of our contracts by a company called Goldblatt McGuigan, and a detailed report was made available. It made a number of observations about business cases and consistency of contract management, but, aside from those two issues, it focused on the initiatives that the PSNI had taken to control contract management, including training for heads of business services, internal audit reviews every year and the tight control exercise by the procurement unit. That report is available to the Committee.
89. **Mr Copeland:** Coming back to the mechanism by which former officers found themselves back in service, in some cases after many years, as a lot of them did, do you have any indication as to what would have happened to a former officer who applied through one of the recruitment companies, perhaps Grafton, and found that, for some inexplicable reason, despite his qualifications and service being correct and his being in every way suitable, he was not granted one of the positions.



- Would that be a matter of concern for Grafton or the PSNI? In other words, was there potential discrimination against former officers who sought to be re-engaged, perhaps in the Historical Enquiries Team (HET), or who would have had skills in the intelligence side of things? Were any such cases drawn to your attention?
90. **Deputy Chief Constable Gillespie:** I am not aware of any such cases. That is not to say that they did not happen, but I am certainly not aware of any. Personnel from Grafton were required, from time to time, to come down and brief the human resources committee of the Policing Board on how staff were selected and what efforts it made to advertise, not just locally in Northern Ireland but in its branches in the Republic of Ireland. The human resources committee asked questions of Grafton personnel on those issues, but, in direct answer to your question, I am not aware of any such cases.
91. **Mr Copeland:** Did those briefings include not only those officers who were considered for, and given, positions, but those officers or former officers who may have applied and were not given positions?
92. **Deputy Chief Constable Gillespie:** I do not know if it was specific on that point, nor do I know whether the board raised that point. However, I have a copy of the presentation, and that can be provided to the Committee.
93. **Mr Copeland:** That would be useful, thank you.
94. **The Chairperson:** It would be good for us to get that information, Ms Gillespie. I ask members, when asking questions, to speak up or lean forward, towards the mic, if that is OK. We are having some difficulty hearing the questions.
95. **Mr McKay:** Obviously, there has been some comment about the concerns raised by the Policing Board and some indication that concerns when the numbers of recruits — temporary workers — were coming through at the low end of the scale were first flagged up in 2004. When the board raised the concerns about officers returning as temporary staff into particular roles that they had concerns about, what was the police response?
96. **Chief Constable Baggott:** Can you be a bit more specific about when that was? Was it pre-2009 or in the past few years?
97. **Mr McKay:** Was it raised in 2004 by the board?
98. **Deputy Chief Constable Gillespie:** It was raised in 2005.
99. **Chief Constable Baggott:** In 2005, it was raised by the chief executive to the then deputy: Grafton contract, civilianisation, the contract specification, the procurement unit advice, the numbers of ex-RUC officers and the implementation plan for civilianisation. That was in 2005.
100. **Mr McKay:** What was the police opinion of any concerns that were raised? Did they note them or act on them?
101. **Chief Constable Baggott:** Forgive me, I would need to look back at the —
102. **The Chairperson:** Mr Pollock, you indicated that you wanted to come in.
103. **Mr Sam Pollock (Northern Ireland Policing Board):** Yes, just to confirm that the board consistently, from 2002 through to the present, raised the concerns that were being brought to it. The concerns were not about a lack of information about the establishment of posts in the PSNI; they were more specific and were about the extent to which former officers were being re-engaged. The concern was specifically about the contract that was used to re-engage them and the extent to which former officers may have been going into civilianised roles that did not necessarily need police skill or experience. Those questions were raised consistently and persistently from 2002 onwards. There was a particularly active period in 2004 and 2005, when the human resources committee asked the audit and risk committee, chaired by Mr Cobain, to raise the matter directly with the Chief

- Constable and suggested that the entire matter be referred to internal audit. That was politely refused.
104. **Mr McKay:** Sorry, what was that? It was asked that it be referred to the PSNI audit?
105. **Mr Pollock:** Yes; the internal audit.
106. **Mr McKay:** And that was refused.
107. **Mr Pollock:** That was an opportunity lost in my view, because the concerns could have been exercised at that point. In 2005, the chief executive also raised specific questions with the Deputy Chief Constable. That was more around the contract. The board had been given to believe that two separate tender processes and two separate contracts were issued in 2004, but that was not the case. In fact, what happened was that, in 2001, the primary contract was used to begin to engage temporary staff. That was on the back of advice given by Northern Ireland Office procurement. Again, in retrospect, it could be argued that that was not good advice, but it was advice nevertheless. Grafton was brought in to provide temporary staff; that is an important element.
108. The board raised these concerns consistently, right through to most recently when the support of the Chief Constable and his staff has been much more rigorous and responses more straightforward. There is no question that the board exercised its functions to ask questions, seek presentations and be satisfied that proper processes were being used in relation to this matter.
109. **Mr McKay:** Chief Constable, on that point, I want to ask about the referral to internal audit that was requested by the board. Why did the police refuse that? Why did the police seemingly turn a blind eye to the concerns of the Policing Board for so many years?
110. **Chief Constable Baggott:** My understanding is that that was about the management of the contract, as opposed to the workforce mix. The issue was the management of the contract, and an explanation was given at the time. It was not seen that there was a need to refer the contract management to the audit and risk committee because a clear explanation was given and the advice from the procurement unit had been taken.
111. **Deputy Chief Constable Gillespie:** It is also fair to say, as I said earlier, that, every year since then, our internal audit has reviewed procurement and contract management, including the award of this contract to Grafton. Therefore, although we may have turned down the board's suggestion to review it at that time, it has been reviewed every year since. Of course, we are in a very different procurement and contract regulation context now. Rules have tightened up considerably, and there is much more scrutiny of our procurement and contract management, which is right and proper. Particularly in the current financial climate where public money is being spent, it is right that we should have proper scrutiny of our procurement and contract management. It was a different context in 2004, but it tightened up in 2006. Internal audit reported to our audit and risk committee every year on our procurement and contract management and gave us a satisfactory assurance level on both every year.
112. **Mr McKay:** You made a point about gender earlier, Chair. Of course, gender is one of the section 75 groups, as is religion. In 2004, in the context of policing, it was perhaps a bigger political issue than it is now. One of the reasons for that was composition. Given the political pressures that were on them, I find it absolutely shocking that the police signed up to a contract with Grafton whereby they would have absolutely no knowledge of the religion, gender or make-up of the personnel whom they would employ. What was the reason for that? When setting up the contract with Grafton, did they seek an assurance that they would receive that kind of information to assure themselves that they would be compliant with their own equality and section 75 legislation?

113. **Mr Pollock:** It was absolutely clear in the tender specification from April 2002:
- “We require the agent to handle the issuing and receiving of all job application forms and equal opportunity monitoring forms. Analysis of equal opportunity will also be the responsibility of the agent. The Police Service of Northern Ireland Equal Opportunities unit must be provided with all relevant information for Fair employment monitoring purposes. We are interested in hearing your proposals for setting up an independent process for handling equal opportunities analysis for the organisation.”*
114. It also specifically required the agent to provide the Chief Constable with information on community background.
115. **Mr McKay:** That was in the contract?
116. **Mr Pollock:** That was in the tender specification. The board was told on a number of occasions that the PSNI could not indicate the community background of agency staff or what job they may have done previously. That is not correct, because the agent was also required to carry out vetting arrangements, and the first question on the vetting form is this: have you ever worked for the military or a police force, and, if so, which one? This is the contract that was used for the employment of temporary staff. There is no doubt that the responsibility under section 75 could have been provided for. The information presented to the board on a number of occasions was, therefore, inadequate.
117. **Mr McKay:** Chief Constable, do you accept that the police have failed in their equality and section 75 duties?
118. **Chief Constable Baggott:** I think that we need to work with the Equality Commission to find out what is possible. The contract in 2002 was for the recruitment of permanent staff. Then, of course, that extended into a contract to bring in temporary staff. However, I think that the advice of our legal team would be somewhat at odds with our ability to access community background information. I used the words “legally audacious”, and I am quite prepared to be legally audacious on this, but there is not quite the legal clarity that you might expect on that.
119. **Deputy Chief Constable Gillespie:** The Equality Commission’s website has quite clear guidance on that. Pages 5 and 6 of a guidance document on its website specifically exclude monitoring information about staff provided by a recruitment agency.
120. I repeat what I said earlier. As a service, we want to be as audacious and creative as we can in monitoring all our staff, whether temporary or permanent, but we have to abide by, and stay within the bounds of, what is legal. I am very happy to discuss with the board what we can legally do with the Equality Commission. It is not in dispute that the PSNI could, and did, seek information about the previous employment of temporary staff. We provided that information to the board on a number of occasions, including in November 2011, when we provided the board with the number of temporary staff who were ex-RUC/PSNI. What we do not hold is information on their community background and, actually, our advice, and the clear advice on the Equality Commission’s website, is that it is illegal for us to do so.
121. **The Chairperson:** Had there been an equality impact assessment, there would not have been an adverse impact on section 75 groups, and we would not be having this conversation.
122. **Chief Constable Baggott:** I am not sure about that. My deputy gave you a clear explanation of how there would have been a screening process. It may not have affected the outcomes in relation to the need to employ temporary staff. The issue is more about justification. You have to distinguish between what is possible and what is information.
123. **The Chairperson:** We will never know because it was not carried out.
124. **Deputy Chief Constable Gillespie:** That is right; we do not know. If, in 2001, we had had the foresight to screen temporary staff, we might have put in place actions to mitigate the negative impact on certain groups. However, in

2001, we had no idea that we were going to employ so many temporary staff for so long — you do not know what needs to employ temporary staff will arise in years to come. Yes, we could have done that, and perhaps we might have put in place some mitigating actions with whoever held the contract to make sure that whoever they recruited was representative of the whole community. However, we did not know at that time. Now, with the benefit of hindsight, we do, and the trick will be to put it right.

125. **The Chairperson:** What do you intend to do, apart from speaking to the Equality Commission? Is there anything else that your organisation can do to remedy this and instil in the public confidence that this will not happen again?
126. **Deputy Chief Constable Gillespie:** As the Policing Board will know, we have a plan — in fact, it is published in this report — to reduce our reliance on associate staff. Part of that plan involves advertising the posts and recruiting through open competitions. Some posts will be suppressed, and some will be dealt with in other ways. However, we have a very good plan to reduce our reliance on associate staff. That is not to say that we will not need temporary staff in the future; of course we will. Therefore, from now on, we will have to make sure that we work with the Equality Commission and the board to make that cadre of staff as representative of the community whom we serve as possible.
127. **Mr Pollock:** The board emphasises that the report's recommendations provide a very strong mechanism whereby collaboration and working together can ensure that this sort of thing does not happen again. Unquestionably, the board accepts the reality that temporary staff will be needed. The board also supports the view that, in some cases, people with police experience and police expertise are required. The issue is that, where that is required, it must be done through a fair, open and transparent competition. The board and the PSNI will work together to ensure that it is open

and transparent. The damage was done because people were not sure what was happening or what was going on behind the scenes. In that situation, confidence is damaged.

128. **Mr Mitchel McLaughlin:** Good afternoon. I want to take this opportunity to say that I completely acknowledge — in fact, I am very grateful for — the tremendous job that has been done on the transformative process of policing here in the North. Stupendous progress — in some instances unbelievable — has been made. I think that the widespread support for policing that has already been achieved is testimony to that. However, society is not perfect either. There are those who are intent on going back to the bad old ways and those who refuse to acknowledge or recognise the evidence before them. Internally, if I may present it in that context, we are having a conversation about problems that arose as a natural outcome of a radical and challenging process. Therefore, it would have been miraculous if there had not been glitches and problems along the way.
129. I am coming in earlier than I had planned because of issues that have arisen from supplementary questions, not so much because of what the Chairperson said. I will address them to Mr Pollock. I will go back to the Patten recommendations, specifically numbers 89, 90 and 91. Recommendation 89 states:
- “The Assistant Chief Constables currently responsible for support services should be replaced by two civilian Assistant Chief Officers, one responsible for personnel issues and one for finance and administration.”*
130. Has that been done?
131. **Mr Pollock:** My understanding is that it has, yes.
132. **Mr Mitchel McLaughlin:** Has it been done on the basis of a common definition of what we mean by “support services”?
133. **Mr Pollock:** I do not understand, Chair.
134. **Mr Mitchel McLaughlin:** The expression “support services” may

have been slightly misinterpreted or misunderstood. Recommendation 90 might assist:

*“There should be a rigorous programme of civilianisation of jobs which do not require police powers, training or experience, exceptions being made only when it can be demonstrated that there is a good reason for a police officer to occupy the position.”*

135. Recommendation 91, by way of further explanation, states:
- “The Policing Board and the police service should initiate a review of police support services with a view to contracting out those services where this will enhance the efficient management of resources. Consideration should be given to allowing ‘management buy-outs’ of support services by police officers or civilian employees interested in continuing to provide those services as a private sector company, and in such cases management buy-out contractors should be offered a secure contract for at least three years to enable them to establish themselves before having to tender for renewal.”*
136. I think that Trevor referred to that. I am more interested, at this point, in ensuring that we all have an understanding of what is meant by support services in that context.
137. **Mr Pollock:** There has been confusion at times. In the late 1990s and early 2000, the management buyout service was very much the “in thing”, so cleaning services, fingerprinting services and guarding services were the subject of a management buyout, or contracting out, of a whole raft of services. In some cases, that was in the interests of efficiency; in others, more fundamentally, police officer posts were released so that the front line could be better serviced, and Patten was very strong on that. Therefore, in early 2000, the management buyout, or contracting out of services, was very much part of the strategy that needed to be taken forward at the time.
138. The second highly significant strategy is what Patten termed “civilianisation”. He compared the police here with the police in England and Wales. For understandable reasons, because of the

different context here, civilian support posts were probably about 20% of the overall staff complement, whereas, in Thames Valley, for example, the figure was 35%. Patten was saying that the police had to move towards a greater civilianisation of support roles that did not require a police officer with the power of arrest and warrant, so that strategy was taken forward. The PSNI’s response was forthright: it set a target that, between 2002 and 2006, some 600 posts would be civilianised. The number reached was about 400, which you could interpret as the glass being half full or half empty. It was a magnificent achievement, but there was still had a long way to go.

139. The third issue is about the need for an organisation of the size of the Police Service of Northern Ireland to be able to address slippage and fill gaps and sickness absences by using temporary staff for short-term cover, as would any other organisation. That is an entirely separate process. It was the confusion of those three strategies that created pragmatism at the time.
140. Going back to your first question, I should explain that it was, undoubtedly, the responsibility of the most senior people in HR and finance to take those strategies forward, using the proper processes, in support of the Chief Constable and his team. It was also their responsibility to ensure that, where a contract was needed, it was properly and openly tendered for. That is where the lack of concentration or scrutiny crept in. The report contains a view that local district commanders were somehow responsible for this being out of control, but the facts in the report self-evidently contradict that. The number of temporary staff recruited in urban and rural regions was a mere fraction of the overall number of temporary staff recruited in central divisions. That was not a good time, but we are now in a position in which we can build closer scrutiny and have closer joint oversight. That will ensure that we have proper strategies, whether those are for management buyout,

- civilianisation and the completion of that process, or for filling important gaps through recruiting temporary staff, with temporary meaning temporary.
141. **Mr Mitchel McLaughlin:** I invite the other witnesses to indicate whether they have any caveats to that, or is there, regardless of where we started, now an agreed definition of police support services?
142. **Chief Constable Baggott:** I will add to what Mr Pollock said. There were some consequences of the way in which the PSNI was being asked to work pre-devolution of policing and justice. If I were to take off my police hat and put on a business hat, I know that quite a few people who are outside the industry and required to achieve more with less would probably look on with some incredulity. All of that was necessary to build confidence, but it had consequences, and I will outline a few of those.
143. First, the PSNI was rigidly stuck on 7,500 police posts, which had consequences. That figure was a prerequisite and non-negotiable. As a result, and as the budget got smaller, police officers started to have to do police staff jobs, and so operational police officers were doing what should have been done by civilians. My analogy is that it is a bit like asking someone running a large department store to manage with rigid numbers of checkout assistants but forget about the marketing, investment, product design and management. That was challenged by the PSNI in its fundamental strategic policing review, which was published in September 2009. I was very fortunate to inherit that very good piece of work, and, as a result, in September 2009, that non-negotiable 7,500 figure was removed. As a consequence, in the next 18 months, we, supported by the Policing Board, put 700 more police officers back into neighbourhood response, because we were able to fill some posts with civilians, save money and reinvest it. So there are consequences of having a rigid way of managing an establishment.
144. Secondly, the amount of regulation and bureaucracy, compared with where I worked previously, is hugely significant. Again, that was a necessary part of building confidence in that prosecutorial decision-making was taken out of the hands of the police. However, that extended into matters that perhaps should have been dealt with at a local level without that level of paperwork. In 2009, for example, we produced 57,000 files, because every decision had to be sanctioned or given some oversight by a public prosecution lawyer. As you can imagine, significant resources were required to feed that bureaucracy. A significant administrative system is needed to service a criminal justice approach that requires that degree of paperwork. With the support of the Policing Board, we have moved away from that now.
145. Thirdly, the future financial regime was unpredictable, which had several consequences. We are fortunate that we have now moved to four-year funding. Although I would rather not be making £135 million in efficiencies, at least I know now, year on year, exactly what the budget is and can plan the workforce mix far more effectively against the risk matrix, which is overseen by our internal audit.
146. Some police support consists of managed services, which, as Mr Pollock said, comprise the big functions of cleaning and canteens, and now moving into management and some custody functions, although those are still overseen by police officers. We are moving to delivering more functions that could be better and more cheaply provided by the private sector. That managed services contract was taken to the Policing Board. There was very positive engagement with the board in May, and the contract was explained fully against the medium-term resourcing plan. Some temporary staff are still required, and that contract is with the Department of Justice as we wait to learn from the Public Accounts Committee report. We will revisit that on the back of this scrutiny. Some of that

- is for short-term work, and some of the police staff civilianisation involves posts that are still necessary for carrying out certain administrative functions that we cannot outsource, because they belong in specific departments, some of which are headed by police officers.
147. **Mr Mitchel McLaughlin:** I want to hear from the Department on that as well.
148. **Mr Perry:** My difficulty with the definition is similar to that which the Chief Constable outlined. I confirm that the contract for further temporary staff is on hold, pending the consideration of the Committee and the Policing Board.
149. I will make a comment on the 7,500 posts. That was regarded as a political commitment until it became clear that the compositional target could be met. As an aside, the fact that there was that commitment in the spending review back in 2007 was important. As a means of getting money out of the Treasury, it was important.
150. **Mr Mitchel McLaughlin:** I will return to that topic later, but thank you very much.
151. **Mr Dallat:** I said at the private meeting that I thought that this was a historic occasion. I think that I am the longest-serving member of the Public Accounts Committee, and this is the first time that we have had the police before us and had the right to question them on —
152. **Mr Mitchel McLaughlin:** It is usually the other way round, is it not, John?
153. **Mr Dallat:** Throw that intruder out.
154. I think that today is very significant and important. It is a tribute to police officers, past and present, and those such as Judith Gillespie who bridged the gap. All have played a part in allowing greater scrutiny of the police. That is my positive contribution.
155. I regret very much that the director of human resources is not with us. I believe that he could have made a significant contribution to answering many of the questions that I would have liked to ask. I seek an assurance that it was not physically possible for Mr Stewart to be present today. I look forward to that.
156. As the Chief Constable said, the percentage of money involved was 3%, but that amounted to £102 million, which covered 1.5 million days and involved 1,071 officers who had retired and then returned. If that is not an example of the revolving door syndrome, please tell me what is.
157. Various questions have been asked here today, and I will not go back over them. However, I am sure that the responses can be checked, because there are issues of accuracy and truth, and there are issues of whether people were misled or deflected when looking for information about contracts that did not follow the normal procedure. I listened very carefully to Judith's reassurance that that was in the past and that things have changed, but I am not so sure. That is why this public session of the Public Accounts Committee is important. I have some documents here, which, I assure you, do not go back to 2001 or 2005; they are all dated 2012. Indeed, one is from the director of human resources, who is not here today, assuring me that a contract with another firm of consultants, BDO, was above board. However, Mr Perry then threw light on that, and I give credit to him. His is one of the most honest statements from an accounting officer that I have read since joining the Assembly. His statement makes it perfectly clear that the contract with BDO was anything but right. Indeed, Mr Perry, to his credit, threatened to withdraw the accounts. He said:
- "It is a matter of concern that there is a significant potential that the payment to BDO for the support services is without approval. I will be considering refusing to grant retrospective approval for the payments, thus making the payments irregular."*
158. Those are the words of an accounting officer who genuinely wants to take control of what is happening.
159. I hope that my colleagues are listening to me, because I am trying to be constructive. Since then, a temporary

- post on the police website has been removed before the closing date and an appointment made in the north-west. There has been recent correspondence about that. The person who complained was subsequently given an interview, but, obviously, did not get the job and was told that they had come a very tight second.
160. **Mr Clarke:** On a point of order, Chairperson. I thought that the purpose of today's meeting was to scrutinise and ask the police about the hiring of agency staff, as reported in the Northern Ireland Audit Office report. I have no issue with the point that Mr Dallat is raising, but if we are to have a session on that, it would be useful to have been furnished with the papers so that all of us had knowledge of what we were talking about. I thought that I was coming here today to talk about the report and its findings on the hiring of agency staff. However, from what I can gather, what the Deputy Chairperson is saying strays far beyond the terms of the report.
161. **The Chairperson:** The Deputy Chair has raised a significant issue, and I think it only right that he has done so. I will ask him to provide that information to the Committee.
162. **Mr Dallat:** I am endeavouring to present a team effort, so I will not have any conflict with Trevor Clarke. I am responding to what Judith Gillespie said. She gave us an assurance, several times, that things had changed. That is not a criticism of the Deputy Chief Constable; absolutely not. If I am being told now that I cannot give evidence to the Committee, we have a problem.
163. **The Chairperson:** As Chair, I am allowing you to respond.
164. **Mr Dallat:** Thank you very much. Those are matters that I want written into the report, and, obviously, they will be investigated. People are still being hurt by things that happened in the past and which, I believe, are still happening.
165. I agree to return now to the debate before us. Essentially, the revolving door approach of the past is the focus of attention today. I agree with that, Chair, and apologise if I upset anybody by diverting from it a little.
166. **Mr Clarke:** I could talk about cleaners in Antrim police station. Sometimes, it has not been absolutely clean.
167. **The Chairperson:** I am sure, Deputy Chair, that we can get that information as a Committee. We will note that.
168. **Chief Constable Baggott:** Before Mr Perry replies to that specific issue, I need to clarify something for the record. Mr Stewart will be very willing to work with the Committee and support it. He is on leave on a personal matter, and that is a long-standing arrangement, which was in the diary before the date for today's session was set. I have no doubt that he will be prepared to respond to any questions from the Committee and, subsequently, to have conversations with the Policing Board.
169. **Mr Dallat:** I suggest that we reserve the right to call Mr Stewart as a witness in the future.
170. **The Chairperson:** Absolutely.
171. **Mr Perry:** I will comment on the particular correspondence that Mr Dallat mentioned. Since then, there have been a number of discussions with the Police Rehabilitation and Retraining Trust (PRRT), and those issues are still being bottomed out. That letter is not the end point of the consideration of that issue.
172. **Chief Constable Baggott:** I just want to clarify the status of PRRT as a standing body; it is not the PSNI.
173. **Mr Perry:** It is not the PSNI; it is an arm's-length body that looks at the retraining and rehabilitation of former police officers.
174. **The Chairperson:** I assure everybody that it will be the Committee who decide, after today's meeting, how we go forward with the information that we collect here today and on any further recommendations.
175. **Mr Copeland:** I have a question for Sam. Some time ago, you quoted from



- a document. I want to clarify whether that was the tender document on which the contract was based or the contract itself.
176. **Mr Pollock:** It was the tender specification.
177. **Mr Copeland:** Did the clauses that you read out find their way into the contract?
178. **Mr Pollock:** I would have to find out and give that evidence to the Committee.
179. **Mr Copeland:** It strikes me that we would need to establish that. The contract tender document is one thing, but —
180. **The Chairperson:** Michael, may I ask you to speak up?
181. **Mr Copeland:** Sorry. We are talking about the contractual relationship between the recruitment company and the PSNI and the Policing Board. We need to establish whether that was in the contract. Were those conditions of the contract honoured? Were they adhered to? That is a critical piece of information that we need as quickly as possible.
182. **Mr Pollock:** That is a very legitimate question. I have to assume that, if it was in the tender specification, it was an overriding requirement of the contract. My point in exemplifying it was that, in those earlier years, there seemed to be a difficulty in getting the information that stemmed from those specifications. It has been stated that it was not for the PSNI to know that and that the PSNI could not place a legal requirement on Grafton to provide such information. I was simply making the point that the tender specification was quite specific on that. It said that the information needed to be given to the Chief Constable. Therefore, unquestionably, the Chief Constable had a right to ask for information on previous occupation and community background.
183. **Mr Copeland:** If I understand you correctly, Sam, the contract required it to give the information rather than the Chief Constable to ask for it, which is a slightly different thing. This information was to be made available in accordance with the contract. If it did not do that, it was obviously in breach of contract. You would have thought something might have flowed from that.
184. **The Chairperson:** OK, we will move on to the question session. The intention was to take a comfort break an hour and a half into the session. The order of questioners will be Mr Paul Girvan, Mr Michael Copeland, Mr John Dallat, Mr Sean Rogers and Mr Adrian McQuillan. We will take the comfort break after Mr Copeland's questions.
185. **Mr Girvan:** OK; we might need it. I appreciate that everyone else has declared an interest. At the very outset, I must declare that direct members of my family are members of the PSNI and retired RUC officers.
186. The report that we are dealing with is about the use of agency staff. I welcome part of that report, as it has been quite illuminating in some ways. The percentage of agency staff used by the public sector is somewhere in the region of 6% or 7%, while the figure for the PSNI is around 4%. I just want to draw attention to that point.
187. The change was brought about as a result of Patten. Whether you believe it or not, it was a political decision. You were left to manage what was left and to try to bring about the changes. An agency was appointed to fill the vacuum created by the fact that officers had to go within a certain window of opportunity. There were probably members of the Policing Board who were regularly asking what the ratio was. At the end of the day, it was all about trying to get 50:50 policing. Officers and Policing Board members would have been asking questions about the ratios and whether the targets were being achieved. That was probably one of the driving forces behind the RUC getting officers to accept the Patten package and retire. A vacuum was created, and a way forward had to be managed.
188. Paragraph 2.11 of the report states that the contract was awarded to Grafton for £44 million in 2004. There

- was a variance with the contract. It was mentioned earlier that there is a way of continuing a contract during procurement. However, as it was such a large increase, why did it not go back out for tender in 2004?
189. **Chief Constable Baggott:** I will give the objective answer. If I miss something, I will ask the deputy to clarify some of the details. There is a consistent theme running through this report in respect of 2004, 2008, 2009, and 2011. I will put on the record now that we would significantly value much tighter guidance around whether salary cost is to be included in total contract value. That is a consistent theme. We have total respect for the Audit Office in producing this report, but we would value a tightening of that, because, in relation to 2004, 2008 and onwards, the procurement advice appears to have been that the salary cost did not have to be included in the contract price.
190. In 2004, there was an existing contract with Grafton to provide permanent staff. The advice from the procurement unit, which was checked again, was that there was no problem in relation to that including temporary staff as a recruitment contract. That is a matter of auditable record. Therefore, the total value of the contract was less than £4 million, although if you add on the salary costs, it becomes £44 million. We are talking about the fee, and I understand that, at the time, there were negotiations with the supplier to reduce the percentage cost, and the report quite rightly identifies an underestimate from the PSNI in relation to the value-for-money savings achieved by that renegotiation.
191. The critical issue here — and it is not a judgement call I make on this, because the report is clear — is that the guidance in relation to whether you include salary costs was unclear. Contract management has improved significantly over the years, as the Central Procurement Directorate (CPD) and others have become involved. It has tightened again now that we have the devolution of policing and justice.
192. **Mr Girvan:** Just to elaborate on that, are we looking at a cost of roughly 8%?
193. **Chief Constable Baggott:** I will be cautious on that because it is commercially sensitive information.
194. **Mr Girvan:** I appreciate that.
195. **Chief Constable Baggott:** It was a significant reduction in the original fee.
196. **Mr Girvan:** Everyone heard the headline that £102 million was paid to agency staff, which probably makes up a very small proportion of the overall policing budget over that period. I appreciate that the headline is the £102 million. If you mention that sort of figure, people think that that is the equivalent of four hospitals. I appreciate that people still had to be paid, and jobs still had to be done.
197. **Chief Constable Baggott:** That is salary cost, which you would be paying anyway and which you pay through the agent. The agent's profit comes from the fee that they get as a percentage of that salary.
198. **Mr Girvan:** Would the human resources committee have dealt with that issue at a board level?
199. **Deputy Chief Constable Gillespie:** The cost of the contract is more likely to have gone through the resources and improvements committee of the Policing Board rather than the human resources committee, but it would have been monitored regularly through the committee.
200. **Mr Girvan:** OK. A question was asked previously in relation to who the chairperson of the human resources committee was in 2004. For members' information, can we have the detail of who would have been involved in that committee at that stage?

201. **Chief Constable Baggott:** I have the detail if you want me to go into more detail around some of that original 2004 issue. As a result of a request from the PSNI at the time, the procurement unit said — and I have to be fair around this — that where the original agreement was primarily intended for permanent placements, it did not specifically exclude temporary placements, and the agreement could reasonably be considered as being one for the provision of recruitment services. In other words, the joining up of permanent staff with temporary staff. That was the procurement advice at the time.
202. **Mr Girvan:** Unlike many organisations that are going through a redundancy phase, you were doing a recruiting and redundancy package, which makes it slightly more complex.
203. **Deputy Chief Constable Gillespie:** Could I mention one other issue, Chair? Around 2007 and 2008, it was the intention of the PSNI to advertise for a new cadre of recruits to the Police Service called police community support officers (PCSOs). That initiative was taken forward with the total support of the Policing Board and following the success of similar initiatives in England and Wales. We were almost ready to go with the advertisement for those posts to recruit around 400 new police community support officers, and, at the very last minute, because of the outcome of the comprehensive spending review (CSR), we had to pull that because we knew that, although we might be able to afford them in the first year of the CSR period, we would have had to make them redundant after a year and there was little point in advertising. Of course, all of that was included in the Grafton contract for permanent staff, and there was expectation on its part that we would seek to recruit more permanent staff. In fact, at a very late stage in the process, disappointingly for us all, including the Policing Board, we had to pull that whole process.
204. **Mr Girvan:** The contract is now worded differently, and there has been a change in the way that the legislation has been put in place. Guidelines are there. Do you accept that the guidance now is that it is about the total cost of the contract and that that seems to be the way forward?
205. **Chief Constable Baggott:** More guidance came out in March 2012, and it is clear. I still think that there is a lack of clarity on this, but it is certainly our intention now to include full salary cost in the contract, because that is where the position has moved to. It is very clear that the Audit Office has a view on that, and we will accept that and comply entirely.
206. **Mr Perry:** As accounting officer, I share that view. Salary costs should be included.
207. **Mr Pollock:** Since devolution, under the Department of Finance and Personnel (DFP), the guidance has been much better and much more specific. The member's initial question was about why we did not run a competition, and, as an accounting officer, my view is that it was flawed at the time. The advice from the Northern Ireland Office was that there was no impediment. However, the fact that someone tells you that there is no impediment to go ahead does not mean that you should; you must make your own decisions on the basis of risk and look at the other options. One option was to go out to full competition. As there were two other contractors involved in the 2001 contract, the second option was to approach them and say, "We want you to take on the recruitment of temporary staff; what is your offer on new fees?" However, to simply go up the road of amalgamating, excluding two other contractors who are already in a process, and making it all one contract would have been an incredible risk.
208. More importantly, my reservation was not that the fees may have saved money to some extent. Grafton was being asked to do a very different job. If you are recruiting permanent staff, you have huge advertising costs and a huge number of applicants — thousands for jobs here in Northern Ireland. You have

- to process those, sift them, shortlist them, run a competition and everything involved in that. It is a very expensive process. For temporary staff, the agency invited CVs, and there was a short interview. Those names were then given to whoever was asking for jobs to be filled on a temporary basis, and the cost of —
209. **The Chairperson:** Mr Pollock, who was the person who was asking?
210. **Mr Pollock:** It would have gone to the corporate HR in PSNI.
211. **The Chairperson:** Who was the head person?
212. **Mr Pollock:** That is for the Chief Constable to answer. My point is that it was a very different process and was not resource-intensive. You must remember that the local commander or the head of the division taking on those temporary staff had their own process because they had to interview those people. So, there was expense at that end that I do not believe was calculated in the savings. The savings only relate to the money that was saved with Grafton. There were underlying, underpinning costs that have to be taken into consideration in any final estimate of money saved.
213. **The Chairperson:** Chief Constable, to come back to my previous question, who was the person tasked to do that at that time?
214. **Chief Constable Baggott:** I would like to step back from that. I fully respect the view of the chief executive, but if you look at the managing public money criteria around regularity and propriety, you will see that nothing was done here that was not in accordance with guidance. If you look at value for money, you will see that the renegotiation of the fee took the cost down significantly, and the report itself identifies — and probably underestimates — the value-for-money savings. If you look at the management of the opportunity of risk, you will see that it was undoubtedly a managed risk, but I have been told that part of the risk is that Grafton was the primary holder of the contract. To have gone out to competitive tendering may well have led to a legal challenge, which would have delayed the whole process significantly, and, at that time, there was a need to recruit temporary staff.
215. **Against a checklist of managing public money,** I have to say that I can see exactly why those decisions were made. There was a valid argument — and I think that is a valid challenge in the report — that, without competitive tendering, you do not know whether better value for money would have been achieved. With the benefit of hindsight, should that have gone to competitive tendering? That is a question for debate. Undoubtedly, if it had done that, it would have slowed down the recruitment of staff, it probably would have slowed down some of the administrative processes that were necessary at the time, and it may have affected operational performance. That is a matter of speculation from me. It is a judgement call as opposed to a pass-or-fail question. The judgement made at the time appeared to be the best way forward, in light of guidance that was taken, ethically, from the procurement unit.
216. **The Chairperson:** That is a matter of speculation. That will be a judgement for the Committee.
217. **Chief Constable Baggott:** Yes, of course.
218. **Mr Clarke:** The Chief Constable and Sam are being fairly disingenuous. It is very easy for Sam to come in late in the day and make the suggestion that he has, having only joined the Policing Board in August 2012. I hope that I am here in the future when we are scrutinising some of the roles of the Policing Board. The Chief Constable has been equally disingenuous, because, although Grafton had the variation to the contract in 2004 — OK, Sam said that two others might have had that — you did not tell us that it has gone out to tender since that, in 2008, and Grafton won it again. That was a competitive tender, so I think that value for money

- has been demonstrated, and that was one point that you possibly —
219. **Chief Constable Baggott:** Forgive me; I was not being disingenuous, I was talking about the 2004 contract. It moved on in 2008 to a competitive tendering process. Interestingly enough, the advice from the procurement unit at the time mentioned two other companies that might be involved, and actually suggested that perhaps Grafton would subcontract some of the work. It clearly did not think that competitive tendering was an issue at the time, otherwise it would have given a competitive tendering instruction, and it did not.
220. **Mr Girvan:** I mentioned the inclusion of the full contract costs. I appreciate that guidance was given in March 2012 that clarified that matter for further contracts, so I understand that that was fine, but, going back to 2004, it is not necessarily your understanding that that was the case. Is that correct?
221. **Mr Perry:** That is correct. The procurement unit was a free-standing unit that gave advice to the police, in particular, but also to the Prison Service. Its advice was not copied to the Departments; it just went to its client for whom it was providing professional advice. My understanding is that, in 2004, the position was not as clear-cut as it is now. It was not definitive about the inclusion of salary costs. If the issue about the agency element of the contract had come to the Department, I think the Department would probably have recommended some kind of competitive process just to manage the risk that is referred to. However, I accept that, given the advice that the police received at the time, it was not unreasonable for them to take the course that they did.
222. **Mr Girvan:** I appreciate that the report deals with the use of agency staff. As I have already alluded to, the ratio between permanent staff and agency staff in the PSNI is slightly lower than the norm in the rest of the public sector. I will tell a story that I told in the Committee last week of an officer who retired and got the Patten package. He took his retirement and, basically, was brought back to retrain somebody to do the job that he was doing. I appreciate that that is what happened there. I appreciate that some feel that the report is a witch-hunt against ex-RUC officers who were given an opportunity to take another job. I have been contacted by some officers who feel that this is a witch-hunt against them. I just want to put that on record.
223. **The Chairperson:** I will allow Mr McKay and Mr McLaughlin to ask supplementary questions, and then we will take a comfort break.
224. **Mr McKay:** Reference was made to the 2008 contract, but the report also makes some severe criticisms that the business case did not include the salary costs of temporary workers, the full costs put out to tender were never properly assessed and the business case was completed while the tendering process was at an advanced stage. So, even at that stage, there were a lot of questionable practices in the procurement processes. It is not a witch-hunt. The majority of the report is about process and protocol, and that should be our focus. It is not a witch-hunt against particular officers. According to the media reports, officers felt that politicians did not have a witch-hunt against them. They received phone calls asking, “Do you want to apply for a job?” We want to know who made those phone calls. There seems to be a lot of unanswered questions on those processes. Do the police have any view on that?
225. **Chief Constable Baggott:** I have two things to say, and I hope that I do not miss the point. My understanding of paragraph 2.15 is that it was not a business case in the truest sense but an application for the drawdown of finance that had been made available as a result of the Patten recommendations to take forward the recruitment of staff. It was not a business case; it was almost an authority to draw down the funding. We need to distinguish between

- the two. I am not completely across the detail of that, but I understand that it was not a business case in the truest sense. Forgive me, Mr McKay, but could you repeat your second question?
226. **Mr McKay:** Are you taking issue with the Audit Office?
227. **Chief Constable Baggott:** It is a definitional issue with the term "business case". Maybe the deputy could clarify that.
228. **Mr Perry:** Perhaps I could come in before Judith. It was a business case in the sense that the Department understands it. It was prepared late in the day because the Department required it to be. The police were already going through a competitive tendering process, which was the right thing to do. I accept that the Department got it wrong when it did not insist on the inclusion of salary costs at that point, because I do not think, at that stage, that it was best practice not to include salary costs. The view was taken that the salary costs would be more or less the same irrespective of the recruiting agency.
229. **Mr McKay:** Is that a problem across the Department, or is it specific to the PSNI or the human resources department in it?
230. **Mr Perry:** The advice on whether salary costs should be included in a contract did not arise in many other contexts than policing. However, the procurement guidance was not clear, and that is partly the Department's fault. In 2004, the position of principle was not established. In 2008, I do not think that either the police or the Department had available the clear guidance that they have now that it was not best practice to exclude salary costs. In a sense, I am putting my hands up for the Department in that we were clear that there had to be a competitive process but we did not get that technical aspect right.
231. **Deputy Chief Constable Gillespie:** I will speak to your second question about phoning people locally who had just retired. I want to preface my answer by clarifying that we understand the wider community confidence issue that that poses. You said that the Committee is focusing on process, but, of course, some issues are bigger than mere process, such as the big-picture community confidence issues. I absolutely understand that. I understand the perception that, in some cases, a process may lead to a perception of jobs for the boys. I want to reassure this Committee that, since January 2011, we have had an extremely robust centrally monitored, gripped process for the appointment of associate staff. The Chief Constable is on record saying that we could have exercised greater corporate grip prior to that. However, I want to make it very clear that one of the success stories of the Patten transformational change programme, to which a number of Committee members have referred, was the devolution of decision-making to local command. Actually, I can recall that, during my early service in the police, we frequently overspent our budget and had to go back to the Northern Ireland Office for a top up in-year because we were spending over our budget. With the Patten devolution process, budgets were devolved to local command, where commanders had real ownership and grip of local decisions, they could buy in services locally and could make a lot more decisions that made an impact locally on the ground and enhanced community confidence. Year on year, over the 10 years of the Patten change programme, we came in on budget. That was a function of local devolution.
232. Together with that locally devolved decision-making was the capacity for local commanders to buy in temporary staff. They had to make a brief business case looking for the skills and abilities that they needed, whether those were policing skills or administrative skills. I have a copy of the blank application form. If the Committee would like to look at that, you are welcome to do so. That would have been submitted through the head of business services and the head of human resources locally, either within the district or the Department, and

- would have gone to Grafton. The trick that we missed was a lack of central grip. We have acknowledged that. We have acknowledged that that has had an impact on community confidence, and we have put steps in place to put that right. It should not happen going forward; I want to assure the Committee of that.
233. **Mr McKay:** Will you elaborate on that lack of central grip? What was the issue that you were trying get a grip of? You have not addressed the issue of all those officers who contacted the media — the whistle-blowers. Who was contacting them, and why were they so offended by that process?
234. **Deputy Chief Constable Gillespie:** If that was happening, it was likely to be happening locally with people who were leaving local branches or local stations and being asked whether they wanted to come back locally. It is most unlikely, in my view, that that was happening centrally.
235. **Mr McKay:** What do you mean when you say “locally”?
236. **Deputy Chief Constable Gillespie:** I mean from local stations or local branches of the PSNI.
237. **The Chairperson:** Can you give us any information, by district, on where people were deployed? That would be helpful.
238. **Deputy Chief Constable Gillespie:** Yes; a breakdown by district and by branches has been supplied to the board, I believe, and we can certainly supply it to this Committee. By the way, I have no evidence or proof. What I have heard is only what I have heard in the media and through local storytelling. Nobody has come to me with proof that people were headhunted for those jobs.
239. **Mr McKay:** Just out of interest, did any of the whistle-blowers — those who are making those allegations — contact the police directly?
240. **Deputy Chief Constable Gillespie:** Did any of the people making the allegations about being approached locally come to the police?
241. **Mr McKay:** Yes.
242. **Deputy Chief Constable Gillespie:** They certainly did not come to my office or, as far as I am aware, to the professional standards department. I can certainly confirm that, if it would be helpful to the Committee.
243. **Chief Constable Baggott:** I will just say again that we are certainly not going to stand over any unethical practice at all. Awareness of whether something is coming up is a question of whether that is ethical, but the process of being registered with Grafton and being unable to do that under employment law is something that we do not have significant control over. However, if there are examples of people having broken the rules, we are more than willing to investigate that and see whether someone should be held to account for that.
244. I have asked that we refer to the report, because, again, I am not going to stand over people staying for many years when their posts should have been reviewed, potentially turning it into a permanent staff post. Some of the examples in the report, although relatively small in number, are not to be overlooked. They are real examples of where grip should have been exercised. In figure 12, you can see the overall picture, which shows that, in fairness to colleagues that went before, the vast majority of people were re-employed after a year’s break from the organisation. The concept is of people stepping away from a desk one day and stepping back on the Monday, but I think the number of people who returned within a day was something in the region of 19 or so out of 1,071. I am not underestimating that problem. I am not going to diminish it. Where there is evidence of poor practice we will certainly be very willing to hear that and deal with it, but I have to put it in context to some degree, as the report itself does.

245. **Mr McKay:** I have a final point. It is to be welcomed that the Chief Constable has indicated that he would investigate such allegations. However, given that those allegations are out there — they are out there in the media and in significant quantity — is the PSNI investigating them?
246. **Chief Constable Baggott:** I am afraid that I can only investigate what comes to our attention directly. There has been a lot of speculation in the media about this report. That is why I am grateful for the Public Accounts Committee. We are having a review of a line-by-line report that puts into context all the decision-making, both at the time and in relation to the PSNI's needs. The report gives tables of numbers, which means that we can assess it objectively.
247. Could I stand over every single decision? Of course I could not. The report is very clear about that. We have people staying in post for far too long when those posts should have been reviewed. We had people coming back to jobs that might have been reviewed earlier, and certainly in 2007. It was an internal report that said that corporate justification for the numbers was not there. If allegations are being made out there, I would rather that people came to us with them through the Deputy Chief Constable's office so that we can have a look at them.
248. **Mr McKay:** Surely, with the public being so aware of it, you should at least make initial inquiries into it.
249. **Chief Constable Baggott:** I am afraid that the media have very strong confidentiality agreements. I cannot go and demand that the media tell me what people are saying. Often that information is third, fourth or fifth hand. Sometimes it is apocryphal, sometimes it is true. The best way of dealing with it is for people to come to us through our confidential helpline and tell us what is going on.
250. **Mr Clarke:** Do you not listen to Stephen Nolan?
251. **Deputy Chief Constable Gillespie:** It is important to say that, in some cases, it was entirely justifiable that people finished a job and retired on Friday afternoon and came back on the Monday morning because the job that they were doing needed some additional time to be finished. I will give the extremely sad example of the four colleagues who were killed in the Warrenpoint road traffic collision on 23 November 2008. The senior investigating officer in that case retired some time after the accident happened and came back the following Monday to finish the coroner's inquest. That made eminent sense for a whole lot of reasons: investigative reasons, family liaison reasons, consistency and understanding of the complexities of the case. Therefore, in some cases, we would stand by people walking out the door on a Friday and coming back on a Monday to finish an important job. Can I stand over it in every single case? Absolutely not. However, in some cases, it was entirely justifiable.
252. **Mr McKay:** There have been cases in which the police have approached the media, been rebuffed and have used other measures to get the information. Have you made any initial approaches to the media on this issue?
253. **Chief Constable Baggott:** Forgive me, but there is not a possibility of the media responding to that. They certainly will not. They will not give us the names and details to investigate. The allegation here is not one of criminal behaviour but of practice that probably does not stand up to public scrutiny. If we have any evidence of that, we are happy to look at it. It might improve our processes.
254. What we are talking about is people becoming aware that jobs would become available, registering with Grafton and coming back. I do not see any evidence in the report that people were able to manufacture that. I see a significant amount of the return of police officer skills being used in skilled police posts. The tables show that. In some areas, they obviously had the competence to do that. I come back to the point that we accept fully that the corporate grip was not strong enough. The justification has to be strong enough.



255. To give you another reassurance on that, there is now a star chamber — I hate to use that term — chaired by the Assistant Chief Constable and a director of human resources, where every single request for a temporary post is scrutinised in great detail and people are asked whether they can justify something or why they cannot do it in a different way. As you will see in the report, since that process was implemented at the beginning of 2011, the number of temporary staff has reduced significantly. I have to say that that has been at some risk to the organisation. We are pushing risks in respect of managing the business. However, it is right that we do that.
256. **Mr Pollock:** The reality of the situation was that there were temporary gaps. It was very volatile and changing probably week by week. The flaw that I see is that there was no public advertising. Therefore, it was grapevine stuff. People would find out, by word of mouth, that Grafton was taking on temporary staff and would ask, “Have you been down there?” or “Have you put your CV in?” It was a very different process to the process you would go through for permanent staff, where there would be an advertisement in the ‘Belfast Telegraph’ or wherever. So, there is a process that people can link into. I see that as being an important flaw at the time.
257. **The Chairperson:** To go back to Mr McKay’s point, Mr Baggott, if whistle-blowers were to come forward in the days and months ahead, would that be investigated?
258. **Chief Constable Baggott:** Yes, if there is something in there that is illegal, but we have to distinguish between matters that are illegal and matters that are against the code of ethics as opposed to people not liking the process. I understand the concerns around the recruitment of temporary staff, but we are a huge, complex organisation with an annual budget of £750 million. Any organisation of this size would probably go about recruiting temporary staff in the same way, because they are temporary staff.
- If you were to advertise every single temporary post, you would need a huge back office of people to do that, and that in itself is not cost-effective. I think that there are implications for this, but the issue to come back to is that if there is any evidence whatsoever of illegality or impropriety among serving people, the invitation is to give that to us and our professional standards department will investigate it.
259. **The Chairperson:** Does your organisation have a whistle-blowing policy?
260. **Chief Constable Baggott:** We certainly do, yes, and it is overseen by the Deputy Chief Constable.
261. **Mr Copeland:** Chief Constable, I ask about this out of curiosity. A police officer, be they male or female, constable or sergeant, inspector or chief inspector, could leave work on Friday and come back to the same job on Monday. However, although he may be the same person in the same job, the nature of the relationship between the person and the job will have changed. On the Friday, he was a police officer carrying a warrant card that gave him certain protections and responsibilities, and, I presume, made him a signatory of the Official Secrets Act, although I am not sure whether that is still the case. When he goes back on the Monday, he essentially comes back as a civilian. How do you equate the rank he used to hold and the authority he exercised in the job that he did on the Friday with the person who takes the job on the Monday? In policing terms, he essentially has no rank, no warrant card and perhaps no protection or authority to do the job he used to do because of the nature of the documents being dealt with. Are you quite content that all those things are adequately covered? It strikes me that there could have been scenarios whereby prosecutions took place on the basis or assumption that everybody involved was a police officer who was entitled to do that sort of stuff when they actually might not have been. Does that open up the possibility of

- challenge to some of the decisions that flow from that?
262. **Chief Constable Baggott:** That is about whether people came back to the same job, and the vast majority did not. There was a need, as the Deputy Chief Constable said, for continuity in some of those roles as opposed to powers. We are talking about roles here, not the exercise of power. For example, part of modern investigative practice is to have what we call a mixed-economy team of investigators, where you have assistant investigators who do not necessarily have to exercise the powers of the constable but who are doing investigative work in relation to research and analysis. So, it very much depends on the role, as opposed to the power, that people have. As the report identifies, you can use policing skills very ably in a way that does not require an exercise of authority or warranted powers. You could also have police officers coming back who may have competencies that the organisation needs. That might be driving duties or administrative jobs. There is a difference between skill and competence, if that makes sense.
263. **Mr Copeland:** I thought that one of the justifications for this was to bring people back to do the same job that they had done previously. Now I understand.
264. **Mr Clarke:** I want to follow on from Daithí's questions about some of the conspiracy theories out there and the whistle-blowers. There are some people with big egos out there. I have my own theory on this, Chief Constable. I think it is possibly sour grapes in some cases, because some people did not get re-employed, and that makes it very easy for them. This week, I listened to one character, Mr McQuillan, who was very critical of the service and how this came about. Yet and all —
265. **Mr Mitchel McLaughlin:** You are going to get our office cost allowance cut again. *[Laughter.]*
266. **Mr Clarke:** When the question on that whistle-blower — if he wants to call himself that — was pursued, it was discovered that he was involved in the governance section of the PSNI at that time. I thought that that was a bit ironic. He made a very good career out of the Police Service after he left it. I think some of the people who want to make suggestions now have sour grapes because they did not get the particular post that they were after at a particular time, and some of them did not get rehired full stop.
267. **The Chairperson:** I am certainly not aware of who the whistle-blowers are.
268. **Mr McQuillan:** I have a question on the back of the Chief Constable's reply to Michael. Was that not a lack of planning by the senior police officers at that time? There was scope within Patten to use the red circle. Why was that not used more often than it was? It was hardly ever used.
269. **Chief Constable Baggott:** There were very tight restrictions on the use of red circling. In effect, that meant that only 17 people could be red circled. That is a very small percentage, so I think that created its own problems in relation to restriction. I think the overall aim, quite rightly, was to move to 50:50 recruitment in order to make the organisation more representative. With that, the critical challenge was to get people to exit the organisation. If red circling had been extended beyond the 17, it might have made that more problematic, but it had a consequence, which then kicked into the use of temporary staff to fill some of those posts.
270. **Mr McQuillan:** I think that that would have been better than where we find ourselves today.
271. **Deputy Chief Constable Gillespie:** Perhaps the Committee will want to get into this in greater depth, because succession planning was a huge challenge during the 10 years of the Patten change process. During that time, our human resources department dealt with over 80,000 transactions of police officers and police staff yet maintained a level of performance, which is now

- at the highest level that it has been in the organisation for many, many years. I think that Mitchel said that it would be miraculous if some issue did not come out of managing transformational change, but when you think of the big picture of the transformational change that was achieved, you can see that it is truly remarkable.
272. I want to mention one department in particular: the crime operations department. At the moment, it is quite a large consumer of temporary associate staff. In 2006, the then Assistant Chief Constable in charge of crime operations, Peter Sheridan, and Michael Cox, the deputy head of human resources, went to the Policing Board with a plan as to how we were going to deal with the huge skill and experience gap that was emerging in crime operations. They were planning ahead. They knew that, in 2008, we were likely to lose around 250 experienced staff. That is the loss of about 19% of the crime operations department in one year alone. In 2006, they went to the board with a plan that was moving away quite radically from previous recommendations made by Her Majesty's Inspectorate of Constabulary (HMIC) reports; the Blakey, Compton and Stevens reports. I am sure those will be available to the Committee, should members think they would be helpful.
273. Those reports had recommended that any detective going into the crime operations department, particularly in intelligence gathering, had to have a number of years' experience in normal detective work. Inevitably, that meant that there was a time lag between someone joining the PSNI, getting their probationary period under their belt, going into a detective branch and then being eligible to apply for certain parts of the crime operations department. There was an almost inevitable time lag of four or five years. The Assistant Chief Constable and the deputy director of HR went to the board and presented a plan that removed, radically, the requirement for people to have served that time in the ordinary criminal investigation department so that they could get into other specialisms in the crime operations department without that experience. The board was understandably concerned about that, but it accepted the strategy and moved it forward.
274. So, we were doing a lot of work and putting a lot of thought and effort into planning ahead. Some 8,000 people walked out the door, with tremendous experience going out the door with them. We should not be surprised that we had to buy some of that experience back. Did we get it right in every case? No, we did not.
275. **Chief Constable Baggott:** I know we are going to have a break, but I would like to take that into the here and now and talk about the crime operations department and its resilience and sustainability in dealing with the growing organised crime threats. We have had a lot of success this year against that, alongside dealing with quite a significant backlog of legacy cases, which we are, quite rightly, obliged to deal with under article 2 of the Human Rights Act. Alongside that, we are meeting some of the other problems of people trafficking. That is the major risk on our corporate risk register. Over the next few years, we could see a significant number of people retire, so the challenges in managing our operational capability are still very real. Maybe this is an opportune moment to say that that is why we welcome this report. It gives us, along with the Policing Board, an opportunity to enter into a new way of seeing finance and HR together. The board is doing its own restructuring alongside understanding some of the pragmatism that we have to employ here.
276. **The Chairperson:** Thank you, Mr Baggott. You will acknowledge that it is a very damning report, and, you know, it took that to —
277. **Chief Constable Baggott:** I have to say that the report does not use the word "damning". It does not use the word "failure". It talks about not always meeting the high standards. I think I

need to be clear for the record about what the report actually says.

278. **The Chairperson:** In the interest of public money, that is what the public are saying.
279. **Mr Clarke:** Not all of them.
280. **The Chairperson:** Well, I have heard that.
281. OK, we will have a comfort break for 10 minutes.

*Committee suspended.*

*On resuming —*

282. **The Chairperson:** I would like to welcome everybody back after that comfort break. Hopefully, we will get through business as quickly as we can. We had a long evening yesterday, and I am sure that members will be keen to get away this evening.
283. **Mr Girvan:** We are just getting used to it.
284. **Mr Copeland:** I have two questions and a couple of supplementaries, but before moving to those, can I ask for your opinion of the legal status of a document that is signed by someone who does not have the authority to sign it, be it a contract or —
285. **Chief Constable Baggott:** I think it would depend. It probably remains a legal document if it is signed with the authority of the organisation.
286. **Mr Copeland:** What if the person who signed it did not have the authority of the organisation?
287. **Chief Constable Baggott:** If it was signed without permission or approval, I suspect that it probably would not be legally sound.
288. **Mr Copeland:** Bearing that in mind, in paragraph 2.12, a recruitment officer with delegated authority to approve spending of up to £100,000 appears to have authorised a contract variation that increased the spend by £4.6 million in the first year. How does that happen? I know from service in the army and the way that the Civil Service works that the hardest thing to get anybody to do is to sign something that places on them a responsibility. Someone appears to have appended, improperly perhaps, a document that resulted in the expenditure of £4.6 million of public money when he was only authorised to sign something that would cover expenditure of up to £100,000.
289. **Chief Constable Baggott:** Firstly, my understanding is that this was a mistake that was discovered by our own internal audit in relation to the delegation for signing. My assumption is that although

- the signature was by the recruitment manager, the actual approach and contract would have been approved at a higher level, so it was more about a mistake in relation to the level of signatory required, as opposed to the legitimacy of the contract.
290. **Mr Copeland:** It has no implications at all?
291. **Chief Constable Baggott:** Not as far as I am aware.
292. **Mr Copeland:** You said “assumption”, which is a fairly wide term.
293. **Chief Constable Baggott:** Not as far as I am aware. I do not think it undermined the legitimacy of the contract. It should have been signed at a higher level. That is about taking responsibility and making sure that it is justified. However, I have no evidence that the contract was not legitimate and was not necessary.
294. **Deputy Chief Constable Gillespie:** It is right to say that we readily accept that it was a mistake and that it should not have been signed at that level. The mistake was picked up by an internal audit review, and it made recommendations that we have since addressed. Since that time, we have introduced training across the organisation that should make sure that such a mistake does not happen again. It was a human mistake.
295. **Mr Copeland:** Did the person who signed the document who committed, coincidentally, the expenditure of the £4.6 million that, presumably, would have been expended anyway make the decision to do that himself? Was he told to do it? Was there a request to do it? If he was only authorised to be involved in the expenditure of up to £100,000, was it known at the time that the document was signed that the amount of money involved was £4.6 million?
296. **Chief Constable Baggott:** I am afraid that I do not have the answer to that. The £4.6 million includes salary cost, but the actual level was lower. It should not have been signed. That was picked up by internal audit. It does not undermine the legitimacy of the contract, but it should have been signed at a higher level.
297. **Mr Copeland:** That is an assumption rather than —
298. **Chief Constable Baggott:** It is an assumption, yes.
299. **Mr Copeland:** Is it worthwhile to get confirmation on both those points?
300. **Chief Constable Baggott:** I am very happy to get factual confirmation of that.
301. **Mr Copeland:** Forgive me for asking, but was there any question at any stage of any personal relationship that might have influenced the occurrence? We have had cases before this Committee involving contracts for other government bodies — maintenance contracts, all sorts of things — and there were similar occurrences where it was subsequently identified that the person who had been responsible for authorising the expenditure may have been known to, connected with or enjoyed inappropriate hospitality with another person involved. Is there any suggestion of that or was it ever investigated? Was the decision, as you have said, a pure mistake?
302. **Chief Constable Baggott:** I have no evidence to the contrary.
303. **Mr Copeland:** Was it ever factored in as a matter of consideration?
304. **Chief Constable Baggott:** I am not aware of that.
305. **Deputy Chief Constable Gillespie:** No suggestion was ever made to me or to the Chief Constable of any inappropriate relationship. I want to be very clear with this Committee and provide you with the assurance that our procurement policy makes it very clear that if any there is any conflict of interest, real or perceived, it should be declared at an early stage in the process to mitigate the risk. I cannot speak about this case; I do not know. There has certainly never been any suggestion of it to me or to the Chief Constable, but, going forward, we take that very seriously. It is not just a question of fact. It is also a question of how it looks and of perception, and that

- is addressed in our current procurement policy.
306. **Mr Copeland:** Mr Pollock — I apologise; you are too close at hand — paragraph 2.14 states that the Policing Board had difficulty getting to the bottom of the issue over a number of years. Have any lessons been learned either on the board or in the nature of the relationship between the board and the police, particularly on how the board goes about the business of scrutinising the police?
307. **Mr Pollock:** As I indicated earlier, the main concerns seemed to be expressed through the human resource committee. Those concerns were dealt with in a number of ways, and, in a lot of cases, questions were asked of the Chief Constable at the private or public sessions each month. That tended to be a regular feature. There were presentations, as the deputy mentioned earlier, by Grafton and by human resources in the PSNI. They were fairly general presentations to clarify information or to allay fears and did not necessarily get into the finer detail. There was certainly correspondence in which, as I said earlier, the human resource committee asked the audit committee to take it up formally. It was taken up formally, but the response was not substantial. The chief executive then took up the matter on the procurement process on 30 March 2005. The board was led to believe that there were two separate procurement processes and two separate contracts, and that was not correct. That was only clarified months later through correspondence between the chief executive and the Deputy Chief Constable. So there was always — or there appeared to be — a struggle to get accurate and full information. Lastly, I indicate the persistent question as to whether former officers were just being recruited as temporary staff willy-nilly. The response to that was initially that we had no right to ask about or to know the personnel data of temporary staff, nor did we have any right to ask Grafton to tell us what the profile may be. That tended to be the tone of the relationship.
308. **Mr Copeland:** Can I press you slightly on the issue of the contracts? Would the Policing Board have had sight of the initial contract and the contract as varied as a matter of course, or would that have always remained within the PSNI?
309. **Mr Pollock:** My examination of the records, albeit in a very short space of time, certainly indicated to me that it did not.
310. **Mr Copeland:** In your view, should it have?
311. **Mr Pollock:** Absolutely, and that is where the recommendations of the auditor are very helpful. There is a very clear view on my part, as an accounting officer, in my advice to the board, that the audit committee must work together proactively with the audit committee of the PSNI on the recommendations that have been made, and must at all times be able to satisfy the board and give assurances to Mr Perry as the overriding accounting officer that we are managing and handling public money with regularity and propriety, as it should be.
312. **Mr Copeland:** Were the contracts standard contracts or were they written specifically for this, as far as you are aware?
313. **Mr Pollock:** The contract that I referred to earlier appears to reflect a standard tendering specification. My only concern as an accounting officer, as I expressed earlier, was that it was a job of a very different nature that Grafton was being asked to do in relation to temporary staff as distinct from what that contract drew a boundary around, which was for permanent staff.
314. **Mr Copeland:** Again, I am asking you for an opinion. Did the requirement to see those contracts reside with the PSNI, which held the contracts? In other words, was it up to the PSNI to bring them to you or was it up to you to ask the PSNI?
315. **Mr Pollock:** The Chief Constable is accountable to the Department on matters of resources. In my view, the tri-part governance is extremely important. The board has an overriding

- right to oversee and inquire into the effectiveness, the efficiency, the value for money and the economy of the operations of the PSNI. That is the relationship that the board was developing, and I believe that it is now a mature and well-developed relationship. We know our respective duties and responsibilities, in the Department, the board and the PSNI corporate.
316. **Mr Copeland:** Again, in simple terms, was the onus on them to supply you with the information or was the onus on you to ask for it?
317. **Mr Pollock:** In my view, the onus is not on them to supply the information. The onus is on the board to ask for it, to monitor it and to ask for a report. There is no question that questions were asked.
318. **Mr Dallat:** I refer you to paragraph 2.18 of the Audit Office report. You will see there that the Central Procurement Directorate raised concerns about the value of the contract variation for Historical Enquiries Team staff in 2009. Why did you ignore CPD's advice?
319. **Chief Constable Baggott:** There are two reasons that I have been provided with. The first comes back to this point again around whether salary cost inclusion is a relevant factor. The guidance on that had still not been clarified. The actual fee being paid, without salary cost inclusion, does not go above £420,000 to £490,000 per annum, which keeps it within the less than 10% before it gets notified to the Department of Justice category, so there was an interpretation of that.
320. Secondly, when the contract came to an end, there was a need for business continuity. As such, it seemed like an operationally pragmatic solution to reach, so as not to disrupt and end the work of the Historical Enquiries Team. Therefore, one was an issue of procurement and the other was an issue of business continuity in relation to the work of HET.
321. **Deputy Chief Constable Gillespie:** There was one other practical point, also. Our internal legal advice was that any attempt to tender for the provision of staff for HET might be deemed a significant risk in terms of legal challenge by Grafton, which already held the contract for temporary staff. Your question, John, was "why was the advice ignored?" It was considered. CPD advice is always seriously considered and, in the vast majority of cases, followed. However, in this particular case, it was adjudged that the greater risk was the impact operationally on HET, and, secondly, the risk of challenge from Grafton.
322. **Mr Dallat:** OK. That throws some light on it. You are saying that it was not ignored, but the advice that you were given was that it was open to different interpretation and there was the fear of Grafton. It is a very powerful organisation. It is almost as powerful as the police. Maybe you should not answer that.
323. I have a follow-up question for Ms Hamill. Did CPD follow up its concerns about the potential increase in the value of the Grafton contract to ensure that the PSNI acted in accordance with the procurement guidance?
324. **Ms Fiona Hamill (Department of Finance and Personnel):** No. The relationship that CPD has with organisations is one of guidance and advice under the service level agreement. The responsibility for correctly delivering the contract remains with the contracting organisation — in this case, the PSNI. So CPD would not have pursued it. It is simply a function of the volume of contracts that CPD is processing every year, but there is a clear responsibility under the service level agreement with, in this instance, the PSNI.
325. **Mr Dallat:** In light of that, how can you be sure that public bodies take your advice in future?
326. **Ms Hamill:** That is one of the challenges that CPD faces because its remit is to give advice and guidance. The answer is through accountability arrangements such as this Committee, which reinforce

- the importance of following that guidance from a regularity and propriety point of view.
327. **Mr Dallat:** Surely, there is something seriously wrong when you can give advice, but if people do not take the advice, it is not your responsibility anyway.
328. **Ms Hamill:** We cannot police — I agree with you. That is the delegated process. That is why we have accounting officers in place who take on that responsibility at a personal level.
329. **Mr Dallat:** Chairperson, I think this is an issue that we need to discuss at another time with the Audit Office and perhaps with the head of the Department of Finance and Personnel. This is not the first time that this particular issue has come up where the responsibility is only to give advice but not to see it through. That is a major weakness across a number of Departments.
330. You have answered the next part of my question, which was whether, if the PSNI or a Department ignores your advice, there is nothing you can do.
331. **Ms Hamill:** Can we stop them from signing a contract against our advice? No.
332. **Mr Dallat:** That is a revelation that is bound to worry a lot of people. There is no one there to close the stable door.
333. Permanent secretary, this has been ventilated in other places. Paragraph 2.24 states that 64 temporary staff are being paid through limited companies. That is a big number. It is phenomenal. Although the PSNI may see no value-for-money issues with that practice, it almost certainly means income lost to the public purse in unpaid tax. As accounting officer, were you aware of those arrangements? Are you happy for them to continue? Is that a superfluous question?
334. **Mr Perry:** I was not aware of those arrangements. The Department, like the PSNI, does not support tax avoidance and schemes that are designed to avoid paying tax. None of our directly employed staff is paid in that way. As the report recommends, we will need to review that situation. The report acknowledges that that practice is not illegal; at least, not yet. DFP is doing some central work and looking at this issue across Departments and the public sector.
335. **Mr Dallat:** In future, would the PSNI hesitate to accept private limited companies as a method of payment?
336. **Mr Perry:** It is Grafton that is accepting that arrangement, not the PSNI directly.
337. **Mr Dallat:** Apologies.
338. **Mr Perry:** The Chief Constable, the board and the Department of Justice wish to look at the issue, but, as I said, DFP is carrying out a central review of the issue. Therefore, we will need to carry out any review that we do against the backdrop of that DFP exercise and the advice that comes from it.
339. **Mr Dallat:** It is something that we would be extremely interested in. We do not wish to promote a do-it-yourself private limited company that might spread, given that we are having extreme difficulty paying for health, education and everything else from taxes. I have no more questions, but I repeat what I said at the beginning: this is a historic occasion. It is a privilege to be able to question the police on how they spend our money and how they deliver the service.
340. **Ms Hamill:** With reference to what the accounting officer said about tax arrangements for individuals, we have been working on that issue with colleagues in the Treasury over the past six months. At the moment, we are re-surveying Departments and public bodies to find out whether any of those arrangements exist. In addition, we are looking at situations, such as this case, in which the arrangements may not be with a public body but with an employment agency or other intermediary body. We are working with Central Procurement Directorate to look at additional requirements that we could



- place into contracts to protect against any tax avoidance.
341. **Mr Dallat:** Can we have a progress report on that? Can we have the information that you have collected? Although this applies to people who worked for the PSNI, the Public Accounts Committee would be very keen to know the extent of the practice, where it exists and what should be done to remove it. All of us pay our taxes through pay as you earn — PAYE. That is what we accept. A serious principle is involved when people avoid tax by setting up limited companies.
342. **Ms Hamill:** I am very happy to provide that information. The survey will be complete at the end of October, so I hope to have something for the Committee some time in November.
343. **Mr Clarke:** I have two very small supplementaries. They follow on from where John is at. Ms Hamill said that she cannot prevent someone from ignoring the procurement guidelines. In the absence of you being able to stop them, is there something that you can do? Is there a mechanism that you can use?
344. **Ms Hamill:** If an organisation failed to follow the procurement guidelines, it would be a question of whether those procurement guidelines were derived from a statutory responsibility. There is an argument that the expenditure could be illegal. Therefore, the expenditure would be irregular and would be brought to the attention of the Committee and the House. In other circumstances, no. We would have to look at the matter very seriously in terms of —
345. **Mr Clarke:** No, I want to try to nail this down. You said you cannot stop someone from not taking notice of your guidelines. What can you do if they are not followed?
346. **Ms Hamill:** If Central Procurement Directorate felt that a serious issue was emerging, the matter would have to be referred to the procurement board, which is chaired by the Minister of Finance
- and Personnel and the permanent secretaries.
347. **Mr Clarke:** When you were made aware that the Police Service had not followed your guidelines, did you do anything at that time?
348. **Ms Hamill:** No; CPD has not indicated that it did anything.
349. **Mr Clarke:** So, there is a failing on CPD's part as well. Given that you have a mechanism to do something, that there are guidelines and that you are aware that the guidelines were not followed, CPD failed to do something afterwards.
350. **Ms Hamill:** In this instance, CPD considered that the extension to the contract was such that consideration should have been given to re-tender. At the end of the day, CPD will allow organisations to make a business decision —
351. **Mr Clarke:** I will take you back to where you said that there is a trigger point for you to do something if they did not take your advice. It sounds as if CPD also failed to do anything when it knew that the Police Service was outside the bounds of the contracts. If you do not have the mechanism to stop something, but you have the mechanism to report something and flag it up, you failed to do that, so, in my eyes, that is a failure.
352. The other point is tax avoidance. Go back to paragraph 91 of Patten. Although it has not been deemed illegal, which it is not, it is either legal or illegal, and I have not heard anyone today say that it is illegal. I think that in questions from the Audit Office last week, it was described as not being illegal, but as maybe not being best practice. I think those are the phrases the Audit Office used. Paragraph 91 of the Patten report allows for the set up of private sector companies. It is in the spirit of Patten. Quite a few people in this room pushed Patten when it was set on the table, and now some people are critical of that aspect of it, and I do not believe that we can start to cherry-pick. It is there, it is in black-and-white: paragraph

- 91 allows for buyout contracts to be set up. Nowhere does it say that those individuals have to be employed individually by the Police Service. I think we are making something out of nothing on this one. It is only an observation.
353. **Mr Dallat:** That was not the purpose of asking the question. If we are not in agreement with this, it might be useful if we sought clarification from Revenue and Customs, because I suspect that there is a tax-avoidance thing here. The facility to set up a private company was used by individuals who, let us face it, were not running companies; they were working, the same as any other person, Monday to Friday. That is the issue.
354. **Mr Perry:** Whatever the particular instances and formal powers, the Department has had a strategic procurement board since 2010 on which CPD sits, because CPD is the centre of procurement excellence for the DOJ group of organisations. Certainly, if any organisation was failing to take CPD advice, I hope that they would raise that with me as accounting officer. However, that is an administrative arrangement rather than a formal one.
355. **Mr Clarke:** Sorry, was advice not given in 2004?
356. **Mr Perry:** Well —
357. **Mr Clarke:** Was there advice in relation to 2004 and the variation of the contract?
358. **Mr Perry:** In 2004, there was a procurement unit providing —
359. **Mr Clarke:** What did the procurement department do in relation to the guidance that it gave the Police Service at that time about whether to proceed?
360. **Mr Perry:** At that point, its advice was only advisory, and it —
361. **Mr Clarke:** So, it failed to do anything at that time?
362. **Mr Perry:** The issue was in 2009, and I am not aware that —
363. **Mr Clarke:** No, I am talking about 2004: when the variation of the contract happened in 2004, CPD was aware that the variation was being made and it said that the variation of the procurement, of how this was done —
364. **Mr Perry:** The procurement unit's advice was not definitive. It was, in a sense, left to the police to make their own judgement, and —
365. **Mr Clarke:** So, there was a failing within the procurement department at that time, given that the Police Service are the people who are setting up a contract to employ people. It is the procurement department that looks at contractual arrangements, and it did not stop the Police Service at that particular time from continuing with that agreement, so the procurement department failed. Yes or no?
366. **Mr Perry:** It did not say that the police could not —
367. **Mr Clarke:** It failed. OK.
368. **Mr Girvan:** Have any other constabularies in the United Kingdom engaged in paying staff through limited companies? My understanding is that there are several examples of that on the UK mainland.
369. **Chief Constable Baggott:** I need to repeat two points of clarification. These staff are not employed directly by the PSNI. They are employed by Grafton. There would be a legal challenge if I, as Chief Constable, tried to interfere in private taxation arrangements, particularly those paid through a limited company. Clearly, if advice comes out from HMRC to clarify this, we will follow it exactly.
370. Another matter is that if I were to end the contracts, I would have to employ them as permanent staff at this moment in time. That would add significantly to the wage bill, because I would be employing them for an open-ended time. So, there are more complications.
371. I am unaware of how many other constabularies are involved in such

- arrangements. I will take your advice on that.
372. **The Chairperson:** I inform members that, on 5 October, the Westminster Public Accounts Committee reported on staff in the public sector being paid through limited companies and found that it was not proper use of public money for public sector employees not to be taxed. This Committee can look at the recommendations coming out of that report.
373. **Mr Clarke:** Does it state that they are not paying tax through the private limited companies?
374. **The Chairperson:** They are not being fully taxed.
375. **Mr Clarke:** That is what it says. Again, we are now taking advice from something that was tabled late. Could we get a copy of that?
376. There is really a witch-hunt against the police here. Take the services that a police station or any public sector organisation uses. When painting contractors are brought in, they come in through a company. How do they pay tax? When cleaning services are brought into a police station or another government building, how do they pay tax? You do not go out and say, "I will hire that painter, that painter, that painter, that electrician and that electrician." You bring in companies, and the workers pay tax through those companies.
377. I do not really want to be involved in a conversation in which we are implying that people who come through Grafton or any other company to work for the Police Service or any other government agency are not paying tax. We are going down a very difficult route. I would like to see the full content of the document. It is easy to pick out a few words and twist them whatever way you wish. I would like to see the full document that that extract came from.
378. **The Chairperson:** The Westminster Public Accounts Committee reported this on 5 October. We will look at whatever information we can get and whatever is available.
379. **Mr Dallat:** I am very conscious that this hearing is being recorded. This is not a witch-hunt against the police. I made that perfectly clear at the beginning of the meeting. I feel a little bit peeved that those words were used. They might be better withdrawn. I have the highest admiration for the police. This is no witch-hunt.
380. **Mr Clarke:** Do you hear me, John? I will not withdraw them, and I stand over them. It feels as if it is a witch-hunt.
381. **The Chairperson:** Mr Clarke, address any response to Mr Dallat through the Chair.
382. **Mr Clarke:** Do you want me to repeat it?
383. **The Chairperson:** No. I do not believe that any member around this table is on a witch-hunt against the PSNI.
384. **Mr Dallat:** Thank you, Chairperson. That is good enough for me.
385. **Mr Clarke:** I am entitled to my opinion, also.
386. **Mr Anderson:** How are we to decide how any limited company sets up? Companies have to do their annual returns at the end of each financial year. It is up to HMRC to decide whether they are paying the correct tax or not paying tax. How can we, as a Committee, get into the whole scenario that limited companies are in some way carrying out shenanigans of not paying tax? We cannot go down that road. We cannot say that. Why are we, as a Committee, going down the road of even considering limited companies? They will deal with HMRC in the proper manner. It is not up to us as a Committee to do that. If HMRC finds any discrepancies, it will deal with those. That is not up to us.
387. **The Chairperson:** Mr Anderson, a paper has been tabled that indicates that there was not the proper use of public money. That is where this has gone.
388. **Mr Anderson:** I have concerns about getting into this.

389. **The Chairperson:** We will look at the recommendations from Westminster, and we will sit down as a Committee and have a conversation on that.
390. **Mr Anderson:** We need to get some good, firm information on what is coming out to allow us to go down that road. I will back my colleague up.
391. **Mr Clarke:** Could we see how Assembly Members are paid as well? They have been paid through other mechanisms, and I want to know whether that was fully taxable and how they got their industrial wage.
392. **The Chairperson:** Mr Clarke, we are not here to question Assembly Members.
393. **Mr Clarke:** We are talking about taxable pay. Members here are concerned about tax avoidance. There are 30-odd Members in here who are avoiding tax, if you want to go down that route.
394. **The Chairperson:** I will bring in Ms Fiona Hamill.
395. **Ms Hamill:** The issue about tax is not tax avoidance; it is reducing individuals' tax burdens. Last autumn, it was discovered that the chief executive and accounting officer of the Student Loans Company, rather than having his salary paid through the payroll, was having his salary paid to a private company, and, by virtue of that, he created a system where he could reduce his personal tax liability. That is what we are looking at. The coalition Government are concerned that people who hold senior public offices are not being paid through the payroll system but, instead, through limited companies or private service companies. It is not tax evasion; it is about individuals having salary payment arrangements that minimise tax. The view is that minimising the tax due on a public appointment is not really proper and that you should pay the full tax due. We are looking to resolve that. It is not about anything more. It is certainly not about investigating limited companies, and so forth.
396. **Mr Mitchel McLaughlin:** We should remind ourselves that we are discussing a particular context and time frame, including the arrangements with Grafton. There is probably value in hearing from the Central Procurement Directorate about why that arrangement was permitted, when we consider the quantum of public money that was involved, which was £44 million over a four-year period before there was a competition.
397. There is an issue about the revolving door. We have heard about people who stepped out the door and, within one day, were back as associates, and we may come to further discussion on that. I am aware that some colleagues have questions down, so I do not want to tread on their toes. There were people who worked in the RUC and transferred across to the PSNI with many years' experience. We have heard the rationale for some of those expedient measures, such as the crisis of losing vital skills. However, people turned up within days, having formed a company to be consultants. It is not a witch-hunt; those are legitimate issues. It is ridiculous to raise this to a confrontational level given the sum of money involved and given that we have evidence before us that best practice was not applied. We hear a willingness from the witnesses to accept that we have to end those early practices and apply best practice going forward.
398. **Mr Rogers:** Apologies for being late and having to go out again. Sometimes you lose your questions even if you are here. [Laughter.] I welcome you and thank you for the clarity that you have given, even in the case of the tragedy at Warrenpoint, where two of those lads were close neighbours of mine.
399. PSNI governance is mentioned at paragraph 3.1. The question has been answered to some extent. We all know the benefits of devolved authority. You mentioned, Chief Constable, the consequences of a rigid way of managing an organisation and said that, with devolved authority, you maybe need more checks and balances. Do you believe that there was a lack of strategic

- oversight of that area among senior people in HR and finance?
400. **Chief Constable Baggott:** I do not. I probably would not personalise it in that way to one department or another. I think that this was an organisational consequence of a number of factors coming together, one of which was, as I mentioned, a very rigid adherence to following the Patten route map and the more than 700 recommendations. That probably lost sight of something around the spirit of Patten and how that was playing out in public confidence.
401. Secondly, as we have identified, there were some issues around the comprehensive spending review in 2007. Plans that were made had to be changed very quickly. I think that Patten was very clear. I know that my predecessor held to that very firmly because I understand that there was a debate in 2007 about whether there should be a greater central grip. In fact, it was decided that that may breach the spirit of Patten in relation to that recommendation, which said that there should be local ownership of services and recruitment and those issues. They held to that and issued revised guidance instead.
402. We must be fair on this. The numbers stayed at about 6.8% of the total in 2007. Undoubtedly, it was growing, but it was at 6.8%. I think that that was a consequence of a variety of factors coming together. Those factors were probably not predictable at the time, but they became a matter of concern. That report by HR in 2007 led, in time, to a readjustment in 2009 with the strategic policing review. Then, when we got to devolution, that enabled me, with great support from the Policing Board and the Executive, to look again at the Department of Justice and the whole planning framework and to negotiate a four-year stable planning framework, rather than the short-term measures that had to be taken.
403. I know that you would expect me to say this, but, for the sake of fairness and objectivity, I do not think that it is right to point the finger at any one part of the organisation. I think that it was a number of very significant strategic decisions made over time which, in 2007, culminated in a concern that the numbers were running out of control.
404. I would add to that some of the bureaucratic burdens at the time. It is a huge privilege to come off, to some degree, the rigid adherence to the criminal justice review of 2001, because we are now getting a 97% satisfaction from victims, simply by officers being able to exercise common sense without all the paperwork. At the time, that process had to be serviced by a significant administrative structure. All those things were playing out at the same time.
405. I think that they reviewed it in 2007. Perhaps, the deputy will have some insight on that. We had not got to the point of the devolution of policing and justice. That did not take place until April 2010. They made the decision that completing the Patten route map was absolutely essential to that, and there was going to be no deviation from that whatsoever, in spite of the fact that it was starting to look a bit difficult.
406. **Mr Rogers:** You are saying that lessons were learned.
407. **Chief Constable Baggott:** I think that they have been. I am in a very privileged position of being able to lead in a different time. I have to pay credit to the Policing Board for the additional scrutiny that it is applying. That scrutiny is absolutely necessary. The Policing Board is now inclusive in a way that it was not in 2007. There are different questions being asked and different perspectives being put. I hope that the Committee is very encouraged not only by our own response to this but by the Policing Board, which is looking at restructuring, so that it brings finance and human resources in one place. That means that we do not have to service two committees about the same issue anymore. We are having a good look at the information flows to see what I am entitled to provide legally and that which

- I am not. That is a significant piece of work as well.
408. There has been a step change in the oversight, and there has been a step change in the financial planning regime for four years. We received an extra investment, which, again, was hugely supported by the Executive. It has enabled me to deal with new threats with a greater degree of resilience. All that has been very important. I would not want the Committee to underestimate the degree of change that has taken place since — I said it before — the prize of devolution. Those oversight arrangements have significantly tightened up.
409. **Mr Rogers:** How many professionally qualified HR people are there in the force?
410. **Deputy Chief Constable Gillespie:** I do not know the exact number. When we moved from 29 districts to eight districts, when we restructured ahead of the review of public administration, some said that it was a very bold and, perhaps, ill-judged move. On reflection, however, it was the right thing to do at the time. If we had not done it, we would still be sitting with 29 districts with a hugely top-heavy, inefficient structure.
411. We cut a significant number of positions of rank out of the service because of that restructuring process, which happened in 2006-07. With that restructuring came the appointment, through open competition, of heads of human resources to advise each of the district commanders and each of the heads of branch on human resource matters. I am guessing that there would have been around 16 of those, although that is just an educated guess. It is there or thereabouts.
412. Since that time, we have reduced the number of those staff. Again, that was to reduce management on-costs. Those staff, along with heads of business services to advise commanders on such issues as procurement and contract management, which is very germane to our discussion today, were appointed around 2007 through open competition.
413. **Chief Constable Baggott:** For clarity, we, again, have been very ably supported by the Policing Board in a completely new direction for the policing plan. It is now set out very clearly in respect of quality of service, tackling local concerns and organised crime. Underneath that, three years ago, we established a series of long-term programme boards, which are chaired by senior members of the PSNI, upon which the Policing Board members now sit. That is quite radical. As far as I am aware, we have not had a situation before in which the Policing Board has sat on major programmes of organisational improvement as observers and trusted advisers.
414. So, the depth and breadth of change is not just around the four-year planning regime. It is also about being able, within the policing plan, to plan major programmes of work. In relation to that, we have been working alongside KPMG, with its business expertise, to help us identify further efficiencies over the next two years. That will sort out the workforce mix between permanent staff and police officers.
415. **Mr Rogers:** Are there any uniformed officers in HR or finance?
416. **Chief Constable Baggott:** We have some, I think, still.
417. **Deputy Chief Constable Gillespie:** Uniformed officers would be involved in training roles that are attached to the human resources department. I cannot think of any uniformed officers who are involved in HR-type management duties. Generally speaking, they are not the skills of police officers.
418. **Mr Rogers:** Paragraph 3.5 of the report contains comments from the PSNI's paper on the increasing use of temporary staff and talks about it getting out of control, and so on. Chief Constable, what action did you take to address the concerns highlighted in your own workforce strategy?

419. **Chief Constable Baggott:** Do you mean in relation to this particular period?
420. **Mr Rogers:** Yes.
421. **Chief Constable Baggott:** I understand that the result of that was reissued guidance to those making those decisions locally, and a strengthening of that guidance as to the criteria they should be following. It did not lead to a recentralisation. It was a reassertion of guidance response. Again, my predecessor was quite anxious not to run the risk of compromising one of the key Patten recommendations.
422. **Deputy Chief Constable Gillespie:** On a point of clarity, if I may, Chairperson. Paragraph 3.5 of the report states:  
*“In the majority of departments, the total number of agency staff exceeds approved resource levels.”*
423. It is important to point out that, as the footnote to figure 7 states:  
*“Agency staff were deployed in police staff and police officer roles”.*
424. So although it might have appeared that the number of agency staff exceeded the number of permanent staff vacancies, some of those agency staff were, in fact, employed in police officer vacancies, not police staff vacancies.
425. **Mr Rogers:** Mr Pollock, did the Policing Board receive a copy of the workforce strategy report?
426. **Mr Pollock:** Was that in 2008?
427. **Mr Rogers:** It is the November 2007 report.
428. **Mr Pollock:** I understand that it did.
429. **Mr Rogers:** How did members react to its findings?
430. **Mr Pollock:** I do not think that I can fully answer that because I have not researched that issue.
431. **Mr Rogers:** It might be a good idea, Chair, to get that.
432. **The Chairperson:** Is that OK, Mr Pollock?
433. **Mr Pollock:** Yes.
434. **Mr Copeland:** Further to what Sean was saying, was the recruitment manager with delegated authority, who approved the contract variation, a uniformed officer?
435. **Deputy Chief Constable Gillespie:** No. She was a member of police staff.
436. **Mr Copeland:** Was she employed full time or was she on a temporary contract?
437. **Deputy Chief Constable Gillespie:** As I understand it, she is a full-time human resources manager.
438. **Mr Copeland:** Could we get that confirmed?
439. **Deputy Chief Constable Gillespie:** Certainly.
440. **Mr McKay:** Could you clarify the numbers in figure 7? How many agency staff were deployed to officer roles? Are those figures available? That puts a different slant on things.
441. **Deputy Chief Constable Gillespie:** Sorry, I missed the question.
442. **The Chairperson:** Figure 7 on page 23.
443. **Deputy Chief Constable Gillespie:** We can certainly provide that to the Committee.
444. **Mr McKay:** Does the C&AG have a view on those figures? Were you aware that there were question marks over them?
445. **Mr Kieran Donnelly (Northern Ireland Audit Office):** There are no question marks over the integrity of the figures. The total number of staff was in excess of the approved complement. That is the real point that comes out in figure 7.
446. **Deputy Chief Constable Gillespie:** The first column is approved staffing complement. My understanding of that is police staff as opposed to police officers. The footnote clarifies:  
*“Agency staff were deployed in police staff and police officer roles”.*
447. The fact that the numbers of agency staff exceeds the number of vacancies

- or the numbers of permanent staff should not be a surprise, because some of them were occupying police officer vacancies as opposed to police staff vacancies.
448. **Mr McKay:** I was looking at the figure for command, where the total staff is 228 and the approved staffing complement was 79.5. Were you within or over the overall complement for the command level?
449. **Deputy Chief Constable Gillespie:** The agency staff employed at command level are employed almost exclusively in the legacy support unit, which is a part of the legal services department. Questions about that unit have been asked by the Policing Board, and full answers have been given on the number of staff who are ex-police and what their function is. I highlight some positive comments that were made by the coroner in relation to that unit. He said recently:
- "I have seen the very great efforts that have been made by the police lawyers to make sure that material has come to my attention, and I would have to say that it is only through their offices that this very important information has come to my attention. If it hadn't been for the efforts of the police lawyers in digging up this material, then we wouldn't be here at all."*
450. That is from a recent legacy inquest. It is important to recognise the work of those ex-police staff in uncovering material that services legacy inquests.
451. **Mr McKay:** I pick up from that that the overlap in command is mainly in staff roles as opposed to officer roles. That begs a question about planning and the allocation of the staffing complement. Why is that not built in? It seems very disorganised and out of kilter.
452. **Deputy Chief Constable Gillespie:** Again, I can clarify that. We now know that legacy inquests and other legacy matters will not be short-term issues. We did not establish the posts, but we now recognise that we are going to have to establish them. We are moving to open competition. We will be advertising shortly, and we will be looking to recruit people, on a full-time basis, with a legal background, whether it is paralegals or people who have other legal experience, to work in that legacy area. That will be going to open competition very shortly. That is a longer-term sustainable plan that is part of the figure towards the end of the report that talks about how we are managing our reliance on agency staff and associate staff.
453. **Mr Pollock:** I can confirm that, on 8 January 2009, the board's human resource committee received a presentation on the PSNI strategy, and, in June 2009, it approved a revised PSNI people strategy. So, yes, the board received it and was properly engaged in consultation about it.
454. **Mr Clarke:** Daithí asked a question, and Judith answered it. It was a point well made, and I appreciate Judith's observation on figure 7. I indicated, before Judith said that, that there are two points in relation to that. We are still scrutinising a report from the Northern Ireland Audit Office, and I should maybe address my question to the Comptroller and Auditor General. Why has there not been a more sufficient breakdown of the approved staffing complement versus staff and police officers? There seems to be a failing in the report on that aspect.
455. The other point is that a letter from the Police Service was tabled today, and it was referred to by the Chairperson at the start of the meeting. We seem to have overlooked the issue of the employment of language transcribers. Given that that should not really be included as part of the inquiry, in your opinion, would that not skew the overall figures on the outcomes?
456. **Mr Donnelly:** I will take both those questions. I agree that it would be helpful to have a more detailed breakdown, and I am sure that a breakdown of column 1 could be obtained to show approved staffing complement between the two categories. Secondly, I am sure that it is possible to remodel the figures with the translators who moved. I do not



- think that it is hugely material, but it would have some bearing on it. That issue transpired just as the report was published.
457. **Mr Clarke:** When were you first made aware of that?
458. **Mr Donnelly:** I think that it was — I could double check — the day that the report came out. It was the evening before.
459. **Mr Clarke:** Maybe I missed it, but I am not aware that that was raised last week. Was it? To the best of my knowledge, there was a discussion, and some people were quite jovial about the fact that we had English language transcribers in the police and that it was part of the agency recruitment process. However, if you knew at that stage, why did you not make us aware last week?
460. **The Committee Clerk:** It was included in the briefing last week, and the letter had not arrived from the Chief Constable until the Committee was already in its waiting room. It was tabled today in your pack and mentioned in matters arising.
461. **Mr Clarke:** I appreciate that it is tabled today. The Audit Office was at the table last week, and we had an opportunity to ask questions. Given that the Audit Office, which commissioned the report, was in receipt of the information about the English language transcribers and, as I said, was fairly jovial about the fact that people are employed by the police to do that, why did it not make it known last Wednesday?
462. **Mr Donnelly:** We did make it known.
463. **The Committee Clerk:** We got the letter subsequently, but the Audit Office briefed the Committee on it.
464. **Mr Clarke:** I was there for the duration of the meeting, and I was certainly not aware. I take the Comptroller and Auditor General's point that it may make a small difference to the figures, but much of the focus last week was on page 23, figure 7 about the number of permanent staff versus the approved complement. It is difficult, given that we are in public session today, for me to accept what you say, Kieran, given that any difference could make that discrepancy negligible, if not diminish it entirely. So, given that the Audit Office did the report and given the role that it has to play, it is unfortunate that it did not pick that up when compiling the report. It gives me the flavour that I had last week that there are failings in the report, and, as I said earlier, my presumption, although some members may be offended by it, is that there is a perception to skew it one way to make it look particularly bad for the police in hiring agency staff.
465. **The Chairperson:** Can I just come in on that, Mr Clarke? I understand that it was the PSNI that provided the information to the Audit Office at that time. The information was inaccurate, so why was that not spotted before it was handed over? That question could perhaps be put to Mr Baggott.
466. **Chief Constable Baggott:** My understanding is that the information was provided by Grafton, not by the PSNI.
467. **Mr Clarke:** So, does that mean that it came to the Audit Office from Grafton?
468. **Mr Donnelly:** It came from Grafton, but it was cleared for factual accuracy with the PSNI. Such clearing happens with all our reports, and this one went through exactly the same process. So, it was that no one concerned noticed before the report was published.
469. **Mr Clarke:** We are focusing on the English language transcribers. Leaving that aside, I am trying to focus on figure 7 at the moment, which relates to the staff complement. Surely when it was compiling its report, the Audit Office was in receipt of the relevant information that could give us the breakdown of the approved staffing complement versus, as the Deputy Chief Constable described, the two categories. It is incredible that that has not been included in this report.
470. **Mr Donnelly:** Had the PSNI asked for such a breakdown, I would have been more than happy to include it.

471. **The Chairperson:** My understanding is that —
472. **Mr Clarke:** I am sorry for interrupting, Chair, but my problem here is that we are scrutinising a report by the Audit Office. Neil Gray was here last week and made much mention of the details in figure 7 of the approved staff complement. If the Audit Office had provided, in the right manner, the breakdown for the two different types of staff that we are talking about, the difference between the approved staff complement and the number of staff would be much greater. So, I think that, by not including that in the report, the Audit Office has failed miserably.
473. **The Chairperson:** Mr Clarke, our job here today is to scrutinise the witnesses that are at the end of the table. If you believe that there is an issue with the Audit Office report, that is something that we can discuss as a Committee, maybe next week.
474. **Mr Clarke:** Chairperson, with the greatest respect, other members have spoken. Indeed, the Deputy Chairperson spoke earlier, and he asked Fiona Hamill a question — no disrespect to him; I think that he was quite right to do that — but she is not sitting at the bottom of the table. Someone else referred to the Comptroller and Auditor General, so I am just taking the same privilege that you have afforded others. That is why I am doing that.
475. **The Chairperson:** I am allowing you that privilege, but we can discuss the matter next week if that information is not here today.
476. **Chief Constable Baggott:** For confirmation, I want to put on record that we worked very constructively with the Northern Ireland Audit Office on this report. We had a significant amount of correspondence, challenge and conversations. We asked whether it would be possible to put further detail in, and a footnote was added on our behalf subsequently that said that that number included police posts. I would be very happy to work with the Audit Office in adding the detail to that, but the addition of the footnote, which states that agency staff were deployed in police staff and police officer roles, came as a result of a request from us. We would be very happy to work on adding the figures, if that is what the Public Accounts Committee wants us to do.
477. **Mr Clarke:** Would you not find it useful to have a separate column in there to give us a clear vision? Footnotes are useful for total anoraks who want to read documents inside out and upside down, but if another column had been added to figure 7, that is the one that most people would have taken the quickest glance at. Would you agree or disagree that it would have been useful to have it in that part of the report?
478. **Chief Constable Baggott:** It would be useful to clarify those figures. Again, to some degree, the lessons are historical, because we have now moved off the rigidity of 7,500 and are planning ahead. However, where the report, some of the dilemmas and what was going on behind the scenes are concerned, I think that it would be helpful to have that.
479. **Mr Copeland:** This is a mechanical point more than anything else. I am trying to get a grasp on what we are actually talking about when we talk about agency staff. You could have one post, which is filled, but let us be ridiculous and say that 12 different people filled it over one year. Does that then appear as 12 agency staff or one post? In other words, can the figures be blipped by people moving in and out of posts? Not everybody would have been engaged for five or six years. Some of them must have been in post for six months. How is that accounted for? In other words, could the figures appear artificially large?
480. **Chief Constable Baggott:** We would have to clarify that with the Audit Office. Forgive me; I understand the question, but I do not have the answer.
481. **Mr Copeland:** I understand, but it would be useful to assess whether we are

- talking about posts or people, because there is a difference.
482. **Mr Rogers:** To go back to your clarification about the PSNI's workforce strategy, Mr Pollock, you mentioned that you received a report in 2009. Did the Policing Board receive the workforce strategy of November 2007?
483. **Mr Pollock:** My understanding from the research that I have done is that the Deputy Chief Constable made presentations to the board. It may have been the board or it may have been the human resources committee, but I can see where information on the strategy was provided.
484. **Mr Rogers:** It would be useful if you could clarify that and go to the board —
485. **Mr Pollock:** I will do that.
486. **Mr McQuillan:** Thanks very much, Chair. It was worth the wait. Paragraph 2.1 states that temporary workers account for 7% of the workforce, and it says later in the same paragraph that that figure is now down to 4%. In 2007, at the height of the use of those workers, the figure was running at 7%. Can you clarify whether that is 7% of the total workforce or 7% of the temporary workforce?
487. **Chief Constable Baggott:** It is 7% of the total workforce.
488. **Mr McQuillan:** Seven per cent of the total workforce?
489. **Chief Constable Matt Baggott:** Yes —
490. **Mr McQuillan:** That is counting everybody who is employed by the PSNI?
491. **Chief Constable Baggott:** Yes. That is the temporary workforce against the whole establishment.
492. **Mr McQuillan:** Paragraph 3.6 states that many temporary staff were being employed without a proper evaluation of the post to ensure that posts were correctly graded or that there was sufficient work to constitute a full-time post. When a review was undertaken in the criminal justice department in 2009, it was found that over half the posts were overgraded and that staff were, therefore, being overpaid. Did that not set alarm bells ringing?
493. **Chief Constable Matt Baggott:** The answer is that it would have done, but it was an internal piece of self-criticism and self-challenge. So, that finding was revealed by an internal review. It was not done externally, which I think is important, as it reassures the Committee that there were processes in place to regrade and check. I do not think that you could take that situation and then spread it across the whole organisation as something that would be unique, because this was a moment in time in the criminal justice department.
494. **Deputy Chief Constable Gillespie:** It is important to say that, in 2009, we undertook a comprehensive review of every single post in the Police Service of Northern Ireland. It was called a resource-to-risk process, and it was overseen by Assistant Chief Constable Dave Jones. We looked at every post and assessed whether they were essential, necessary and desirable, and each post was reviewed to see whether a police officer or a member of police staff needed to be in post and whether the grade at which the post was ranked — either staff or police — was assessed, reviewed and, in some cases, downgraded.
495. The criminal justice department review was part of that, and it went across the whole service. As a result, we came up with our human resource model, which was submitted to the Policing Board and to Her Majesty's Inspectorate of Constabulary for scrutiny. HMIC's assessment was that, although we were at an early stage in our planning, we were as fit for purpose and as well ahead as we could be, or, in some cases, we were further ahead than many of our UK force counterparts.
496. **Mr McQuillan:** Do you disagree with the report when it states that this was completely "out of control" in 2007?
497. **Chief Constable Baggott:** I think that the issue was that there was no central

mechanism or central grip, and the comments, which I repeated, are the words of the Audit Office. However, it is very clear from our internal review that things started to run away. We have to acknowledge that. It is about reasserting some degree of central grip, as we have done. The report acknowledges that there has been significant improvement in that area. I would not want to get into the semantics, but it was very clear that numbers had risen, and our people raised concerns about the justification not being tight enough.

498. **Mr McQuillan:** Could you also tell us how the process for grading a vacant post and approving the rate of pay is carried out? Is it different now to what it was then?

499. **Deputy Chief Constable Gillespie:** Absolutely. Now there is a process by which the business case, which has to be a sound, evidenced business case, is submitted through the head of human resources in the relevant department or district. It then goes to a central committee called the resourcing forum, which is co-chaired by Assistant Chief Constable Dave Jones and the director of human resources, Joe Stewart. That business case is assessed against organisational need, not departmental or district need. We have a much firmer grip and central, corporate and consistent control across the organisation over whether the associate staff are the right model to deliver the piece of work that is needed. There is also a monitoring process. If the business case were, for example, for a piece of work that lasts three months, at the end of those three months, the process will evaluate whether the piece of work is completed, whether the business case delivered what it set out to do and whether the associate staff have finished their work and left the organisation. So, there is much greater central control and grip.

500. **Mr McQuillan:** In paragraph 3.10 — you alluded to this in response to Trevor's point a wee while ago — some of the information that the C&AG needed for the review had to be obtained from

Grafton. The PSNI did not have it at all. A £100 million contract was handed out to Grafton, but you had no proper control of that contract. Does that not also set the alarm bells ringing?

501. **Chief Constable Baggott:** I think that the report is quite encouraging in that it talks about the work that has been done to address and tighten up on contract management. As, I think, the deputy mentioned, we have trained in the region of over 600 people in proper contract management, in how to build indicators and in how to assess the success of a contract. So, there has been an organisational response to the issue. Some of the recommendations are still a work in progress. If there are issues that we can still do on recommendation 5 to standardise, analyse and collect more and better data, we are certainly prepared to do that.

502. **Mr McQuillan:** I agree to disagree with the deputy, who said that the restructuring was a success. I am not so sure; I am not convinced yet. You will have to do a wee bit more work to convince me.

503. **Mr Copeland:** I want to go back to the job evaluation. A need to fill a particular position was identified. What was sent to the recruitment agency that meant that it matched the individual, who may or may not be on its books, to that need? When that person was in position and it became clear that they were going to be there for a while, and the person whom the recruitment agency recruited suddenly thought that it was a wee bit beyond what they were being asked for, was there a methodology by which a job re-evaluation could take place? Was that funnelled through the recruitment agency or the person in post? Was it a common occurrence?

504. **Deputy Chief Constable Gillespie:** It is now, but it was not as rigorous as it ought to have been in previous years. I said that I would share with the Committee, if it would be helpful, a copy of the request for a Grafton associate and what a typical business case might look like. That might help to answer

- some of your questions. We have much more rigorous scrutiny now.
505. **Mr Copeland:** I do not want to be specific about Grafton, because I know that others are involved, but did it play any role in assessing anything for the purposes of job evaluation, such as what you might have to pay to get the skills that you were looking for?
506. **Deputy Chief Constable Gillespie:** I am not sure of the answer to that question.
507. **Chief Constable Baggott:** I am not sure. We will come back to you on that. I do not know the answer to that; forgive me.
508. **Mr Mitchel McLaughlin:** The whole relationship with Grafton interests and perturbs me at the same time. In a broad sense, if it has the contract, it is not surprising that retirees — if I could describe them as that — who were interested in being employed on a temporary basis or being rehired in whatever capacity would gravitate towards Grafton. To me, it is not surprising that, in 2008, it won a competitive tendering exercise. I suppose that might be described as a business advantage, which is not unique to Grafton. However, Patten concluded at the time of his report that the RUC was unrepresentative. If we have a labour pool from which temporary staff are to be drawn and if the people who are re-hired from that pool are former RUC, that means that the imbalance in representing the community, which was a fundamental, core element of Patten, would be reflected in that labour pool. I have been mulling over my question since it came up earlier, because I do not think that it has been properly addressed, but does that issue not surely spell out in neon signs that drawing from that labour pool means that there is an equality impact? How could that not have been responded to?
509. **Deputy Chief Constable Gillespie:** We can see that now. We ought to have spotted it earlier, but we did not. As I said earlier, and as I said last week at the Policing Board, I am keen, as are the rest of my PSNI executive colleagues, to address this issue going forward and to ensure that we have a human resource model that is fair, equal and representative of the community that we serve. So, I have suggested and offered, with the board's help and that of the Equality Commission, that all this be reviewed so that we can make sure that our human resourcing model — police officers, police staff, managed services and temporary staff — is as diverse and fair as it can possibly be. I cannot, as I said earlier, do what should have been done 10 years ago, but we can move forward in the spirit of understanding and partnership together so that we can make this better.
510. I fully accept your point that if we were drawing from a pool of retired RUC officers, it was likely to be from a particular community, of a particular gender and of a particular race. Of course that would be the case. Did that have a material impact on the composition of the PSNI? Yes, but let us move forward and address it.
511. **Mr Mitchel McLaughlin:** That is a very fair answer; let me acknowledge that.
512. Mr Perry, we have been told that there may be legal implications in how we could monitor the workforce, whether we are talking about people who are being re-hired having full-time or temporary posts. Is that an issue that the Department needs to address, perhaps by looking at the law and the legal requirements?
513. **Mr Perry:** It is something that the Department would be certainly very interested in. I think that it will fall to the police in the first instance to get that legal advice and to do so in consultation with the board. However, given the Department's overview, it is certainly something that is of interest.
514. **Chief Constable Baggott:** I really appreciate the question, because it goes to the nub of accountability as well, and I am 100% behind what Judith said. I do not want to underestimate the difficulties of doing this even now, because I have been involved

- over a number of years in a different place and in a different context with the line between positive action and positive discrimination, the impact of employment law and how far you could go. I am very pleased to be, and I keep saying this, audacious in providing the information that can help us to shape our policies. Looking at everything from apprenticeship schemes right through to targeted campaigns, we will be able to do a lot more work if we can get that information together. However, positive discrimination versus positive action has been a debate for about 10 years, and I think that we have an opportunity with this to try to nail it down and do something that might be unique on behalf of the Police Service here.
515. **Mr Mitchel McLaughlin:** Without affirmative action, we probably would have had an impossible task in trying to restructure policing, but we have made, as I said, quite remarkable progress. So, let us stay on that course.
516. **Mr Clarke:** I appreciate where Mitchel was going with that, but I have a difficulty with the equality aspect of this situation. Although Mitchel is saying that there is an inequality in the spirit of Patten, that report set aside equality legislation with 50:50 recruitment. So, it is very difficult to address equality by setting it aside, because the spirit of Patten was to set aside specific legislation and introduce an inequality with 50:50 recruitment. That said, I have no problem with one's community background —
517. **Mr Mitchel McLaughlin:** It is called affirmative action, and it is quite well known as a concept. However, I know that there is an issue.
518. **Mr Clarke:** Rather than go across each other on that, we could go back to some of the points that Patten made. Although the spirit of Patten was 50:50 recruitment, I think that we have to appreciate that equality legislation was set aside to allow that to happen. That was wrong, but we are where we are.
519. **Mr Mitchel McLaughlin:** We would not be where we are.
520. **Mr Clarke:** We would maybe be in a better place; you would not know.
521. **Mr Mitchel McLaughlin:** We have been there.
522. **Mr Clarke:** The idea that I have a problem with is that some people — I am not directing this at Mitchel — can pick pieces of Patten but we cannot put it all together. So, the point is taken, but we have set equality legislation aside to make overall police recruitment work, because the real issue in Patten was the police and not so much the support services. However, you are suggesting that there is now an inequality in seeking a community balance in the community support services, based on religious background. Another good example of that is the Equality Commission, which cannot even get it right, because there is an imbalance against the Protestant/unionist community. So, it is difficult getting the police to get it right whenever the Equality Commission cannot get it right.
523. **Deputy Chief Constable Gillespie:** I can respond to that. As I said, we want the whole service to be representative of the community that we serve. That includes the police, permanent staff, temporary staff and managed services. It is also important to say that the majority of the 175 recommendations in the Patten report were identified in an earlier fundamental review, which was led by Sir Ronnie Flanagan of the Royal Ulster Constabulary, in which we acknowledged openly that we were not representative of the community that we serve and that something radical had to be done. Representation was about not just community background but gender. Patten did not set any target on female recruitment, but, as we all know, a rising tide lifts all boats, and we now have a rate of 27% females, which compares favourably with any service across the United Kingdom and, indeed, with our colleagues in an Garda Síochána.

524. We need to take that seriously, and we want to be representative right across the ambit of our human resources model. We want to work with the board and the Equality Commission to take whatever action we need to take legally to be lawfully audacious and to have affirmative action that supports people who want to join the PSNI in whatever guise and, indeed, the wider criminal justice system. We also want to retain those officers and staff who we have all worked so hard together to bring in to the organisation. That is equally important.
525. **Chief Constable Baggott:** Forgive me, but my point is about process and legality. With the Policing Board, we have put confidence right at the heart of who we are. Confidence is a product of how you keep people safe, of the quality of service when they have a moment of crisis in their life and of how people look at the organisation to see whether it is representative. All three aspects are important, and the success that we are having at the moment in reducing crime, getting into vulnerable communities and dealing with vulnerability by invitation is because confidence matters significantly to us. So, we will not hide behind any legality in developing that confidence; clearly, we have to comply with the law, because that is also one of our duties.
526. **Mr Clarke:** I do not want anyone to think differently about my opinion on this. I support the merit principle and not selection based on one's community background. However, if that is the direction in which others are travelling, so may it be. However, I have one word of caution for Judith: please do not follow the Equality Commission as a model, given that it cannot get it right itself.
527. **Mr Pollock:** I support what is being said. I sense no lack of resolve. In fact, there is a real determination by the board to work with the PSNI. The report is a watershed, and it brings a very specific focus that is very helpful, and the recommendations are particularly helpful. However, it is not just about community background; it is about gender and young people who are in very economically deprived areas who feel unable to get involved with the justice system and the policing framework. There is a lot to be done, and it will not happen overnight.
528. **The Chairperson:** Any strategy coming forward that reaches out to those groups is very welcome.
529. Before I call Daithí McKay, I remind members that there are four members to speak after him. It is almost 6.00 pm, so we need to keep moving.
530. **Mr McKay:** My questions focus on accountability and conflicts of interest. I will start with a quick quote from the Police Ombudsman's five-year review, in which he states:
- "no such regulations exist in relation to ... other civilian staff operating directly in conjunction Police Officers in the course of their policing functions. In certain circumstances actions by such staff could have a direct effect on the exercise of a police duty or ... a police enquiry."*
531. So, the Police Ombudsman has warned of the risks from retired police officers, who are not accountable, being rehired in policing roles, including sensitive positions. Do you agree with his position that there is a risk there?
532. **Chief Constable Baggott:** Yes I do, and, again, I think that the Policing Board scrutiny has been very helpful. I just happen to have a copy of the new agreement that we have put into the associate staff confidentiality agreement. That states:
- "You also agree and co-operate with all statutory agencies, including the Police Ombudsman's Office".*
533. So, that is now a contractual requirement. Whether it would withstand a legal test is another matter, but we built it in to the contract.
534. Secondly, I am on record as saying that if the Executive were to pass legislation compelling people to co-operate with ombudsman's enquiries, I would certainly stand behind that fully.

535. **Deputy Chief Constable Gillespie:** May I also clarify that there are two separate issues here? There is the issue of the accountability of permanent police staff to the Northern Ireland Civil Service code of ethics, and that of police officers, who are accountable to the PSNI code of ethics. Certain categories of permanent police staff are designated as accountable to the ombudsman's office. I am sure that Sam is even more across the detail of this than any of us here, but there are only certain categories, and I know that it frustrates both us and the ombudsman that you have to be designated in a particular role to be accountable to the Police Ombudsman. Such roles generally involve positions in which you exercise pseudo-police powers, such as, for example, custody detention officers, etc. We would certainly welcome widening the scope of the ombudsman's office, but, again, that would have to be done in consultation with police staff associations — the unions — which are bound by the Civil Service code of conduct. So, there are two separate issues. We have tidied up the temporary staff issue, but the issue of permanent staff still possibly needs a bit of tidying up.
536. **Mr McKay:** Just to clarify, does that apply to all the contracts for temporary staff — that is, all staff on a temporary basis — with the result that it is prospective for all?
537. **Chief Constable Baggott:** Yes; this is a generic agreement that is reached with individuals.
538. **Mr McKay:** OK. When does that apply from?
539. **Chief Constable Baggott:** It is in effect now.
540. **Mr McKay:** Figure 8 shows us what actions the police have taken on retiring officers in co-operation with the Police Ombudsman. We referred to that previously. Have there been any examples of police terminating the contract of a retired then rehired officer because he or she refused to co-operate with the ombudsman's office?
541. **Chief Constable Baggott:** I do not have an answer to that, I am afraid. I can try to find out and come back to you.
542. **Mr McKay:** OK. I am aware that the ombudsman raised in a number of reports the issue of rehired personnel.
543. **Chief Constable Baggott:** Forgive me; I think that there are two issues here. One is that officers who retire have their own decisions to make; they cannot be compelled. People who come back on a contract, of course, can. By signing the contract, they agree to do that, and if they did not, there would be a consequence.
544. **Mr McKay:** There are concerns about the conflict of interest element. The Committee has received correspondence from the Committee on the Administration of Justice about its concerns about this and, for example, article 2 of the European Convention on Human Rights. The Audit Office report states that there is the potential for conflicts of interest. The PSNI responded by stating that safeguards are in place because those who are involved in HET can ask to remove themselves from an enquiry in which they have previously been involved. How many examples have there been where retired officers have brought to the attention of the PSNI that they are involved in a case in which they have a conflict of interest?
545. **Chief Constable Baggott:** I will have to come back to the Committee. I can ask HET for those details, and I will come back to you on that.
546. **Mr McKay:** Do you have any idea at all of whether there have been any?
547. **Chief Constable Baggott:** I am afraid that I do not. The Historical Enquiries Team has been running for some seven years now, so I will have to go back and research those details for you.
548. **Mr McKay:** There have been news reports in the past couple of weeks about members of the police support staff, with NIPSA, wanting to bring information before the Policing Board



- about the rehiring of retired police officers. It is alleged that they were warned by senior PSNI staff not to do so. Is that correct?
549. **Chief Constable Baggott:** Not as far as I am aware. There was correspondence between NIPSA and the director of HR around that, but there is no evidence that they have been prevented from coming before the Policing Board. It is their right to do that, and that is a matter for the Policing Board. The disagreement was more about the sharing of the intent to do that and making sure that the details were factual, as opposed to an attempt to prevent them from doing that.
550. **Mr McKay:** Could we have a copy of that correspondence between NIPSA and the director of human resources?
551. **Chief Constable Baggott:** If the records exist. If I am able to do so legally, and it is not private correspondence, I will make it available.
552. **Mr McKay:** Obviously, the Policing Board is a critical element of accountability. It has a statutory duty to hold the Chief Constable to account. There are concerns in the report and other soundings that the relationship, in some ways, has been strained. Sam referred to the fact that this report is a watershed in some respects. How has the relationship been over the past decade? Has it been damaged by some of the findings in the report?
553. **Mr Pollock:** There is a fine balance in the relationship. The Chief Constable is employed and delegated to run his service. The board cannot and should not interfere in the command and control responsibilities of the Chief Constable; it does that at its peril. On the other hand, as I indicated earlier, there is a massive statutory duty on the board to maintain public scrutiny and ensure that the Chief Constable is accountable and answerable to the board for performance, conduct and delivering an effective service in the reduction or prevention of crime.
554. That relationship — bear in mind that the board was a new entity — has been developing over 10 years; it gets more and more mature, and the checks and balances get more and more refined. The report is a watershed because, although it focuses very specifically on human resource staffing issues, it goes to the centre of the delivery of service and performance. The board will have to address those concerns. Equally, the board must ensure that it retains a governance responsibility, as distinct from trying to micromanage the service through the Chief Constable. Although I have been in post for only a short time, I am very optimistic that that working relationship can be taken forward into a new domain. There have been difficulties in the past with regard to the exchange of information, particularly on human resource issues; my sight of it would give the indication that it was quite minimal and economical at times. More information, given in a more open and transparent manner, would have allayed a lot of fears and a lot of the issues that kept creeping and creeping, to the point at which a lack of confidence or distrust developed.
555. **Chief Constable Baggott:** The relationship should be constructive, but never comfortable. Otherwise, there is no point in being held accountable. That is very important. The meetings take place monthly, and we have private meetings and a whole raft of committees. We are talking about over £700 million of public money and huge issues of people coming together in a post-devolution settlement, and we have to make that work. I do not expect the meetings ever to be comfortable, although I do expect them to be constructive. We are working through some quite complicated matters that, occasionally, are prickly, but they are necessary. They are around the post-devolution architecture, understanding again the distinct roles and responsibilities within that. There are certain matters on which I am accountable to the Policing Board and some that I am not. There are some matters that I am able to

- give and some that I cannot. At the moment, we are working through in a constructive way with the Policing Board, again revising the codes from 2004 and 2008 and some of the legal framework. It is necessary to have clarity. Sometimes, the Policing Board will ask me for issues that I am simply unable to give. Sometimes, the Policing Board may say that it needs to set up a special purposes committee to hear that information, but, again, we have moved on from that. These are not easy issues, but the encouragement should be that they are being worked through, and we are doing that. We do need to be held accountable in a way that is correct and legal, so this is an interesting and important debate.
556. **Mr McKay:** Previously, I served on the Policing Board, and there was constructive engagement with a number of senior officers. It is good to see that those relationships are continuing on the board. I was concerned about a report of the board meeting from last week that showed that one of the independent members had serious concerns about how she was treated. Moving forward, those niggly issues of concern that seem to have been going on for quite a period of time need to be ironed out, and I do not think that we are far off from doing that. If the will is there on all sides, we can address those issues.
557. **Chief Constable Baggott:** That is very encouraging. With accountability, there has to be clarity around mutual responsibilities, and I understand that, at a public board meeting, things are sometimes said for a variety of reasons. Sometimes those are for political reasons, and, sometimes, they are absolutely right about my responsibilities. We understand that entirely. It is helpful to repeat something that I said earlier. It might be useful to commission an independent audit of the sort of information that was provided to the Policing Board and at what time, to see whether we could improve and see where there is some best practice. There has been criticism of this, but I have seen some of the timelines, and I do not think that it is quite as simplistic as it is sometimes portrayed. We need to understand that more. Likewise, if Policing Board members have concerns about the way in which we conduct ourselves and the tone and language that we use — some of that was publicly said — of course I will invite those Policing Board members to give me an account of that so that, if I need to advise the Policing Board on how to take that forward, we are able to do that. A constructive relationship is developing on this, and I am very positive about where this is going.
558. **The Chairperson:** The remarks from Mr McKay and you are very relevant. Mr Trevor Clarke has kindly allowed Mr Sydney Anderson in before him, so we are moving the goalposts a wee bit.
559. **Mr Anderson:** Thank you, everyone, for coming along. You probably think that, at this time in the proceedings, there are not many questions left, but I am sure that there are quite a few. I will make a general comment on the reorganisation of policing before I ask my questions. We have to remember that there has been a massive change in the organisation and in relation to staff. To my mind and everyone else's mind, no matter what organisation was to go down that road with that type of change, there was always going to be blips along the way. We have to view it in that context. Comment has been made today and outside of this Committee meeting in the media about witch-hunts and things like that and the way things have been going. People have concerns about how things are happening, but I would like to think that that is not what it is all about. These are jobs, and they are individuals who have given good service to policing in the RUC. If they come back and are re-employed to do another job, we have to recognise for them and their families that they are doing a job for the community. That is where I am coming from on that particular issue. If, in some cases, things were not done right, they can be put right. We can see a way forward here. Things have been

- explained and have come out in the open today.
560. We talk about the revolving door. Judith, I think that you said that there was good reason for that. You cited one good case for why a particular officer had to come back. I am sure that there are other cases of that. Therefore, we have to look at policing in the whole context of what went before what we have now and at those officers as individuals and their families.
561. Figure 18 shows the that PSNI appeared to make very limited use of schemes that were available to it to defer the retirements of key officers. Paragraph 5.15 makes it clear that the PSNI did not do any succession planning for key posts because it had difficulty and issues with that. If you put those two factors together, it appears to me that the PSNI, perhaps, did not do enough to manage the situation that arose as a result of the Patten reforms. There may be very good reasons for that. I am interested to hear your reply.
562. Any reasonable approach would have tried to identify and certainly limit the number of key people who were retiring at any one time and give them time to pass on their knowledge to other officers and enable them to fill those posts. Why did the PSNI not take advantage of the systems and tools that it had in position at that time? Bear in mind that the big — I think in one year maybe there were 750 officers who left. It was in 2002, or something around then. I am taking that issue in the round of the mass exodus of officers at any one time.
563. **Chief Constable Baggott:** First, I think that some of the ways to mitigate that were limited. The red circling was only 70 in a year, which, against the organisational scale, is a very tiny number.
564. Secondly, it was a voluntary scheme. Although, clearly, predictive planning was done to try to work through the numbers of staff who might leave, at the end of the day, it was voluntary.
- Therefore, actually getting a grip of the numbers — I am very clear that the Patten programme was a process of moving to 50:50 recruitment; it was not actually an operational plan. Therefore, it did not actually predict and take into account what the operational impact might be on capabilities. Those are the main reasons.
565. I come at it with the benefit of hindsight and being able to look at it objectively. I honestly cannot imagine how difficult that was to plan. If I had been the Chief Constable during that period, I think that it would have been incredibly difficult. You would have had to have some reliance on temporary staff to mitigate that in the short term, particularly when you add in the budgetary uncertainty of 2007. The Deputy Chief Constable has already outlined how the plans for 400 PCSOs had to be shelved, not because of any risk, but because the affordability of that simply could not be predicted. Therefore, they were very difficult times.
566. **Deputy Chief Constable Gillespie:** We used the red-circling facility as much as we could. Officers also deferred retirement voluntarily, in some cases, for a year when there was no financial impediment to doing so. That was used in the maximum number of cases that we could.
567. I refer you to figure 2 in the Audit Office report. You will see it on page 10. During the time of the Patten severance programme, 14 assistant chief constables, 92 chief superintendents, 150 superintendents, and 133 chief inspectors — 389 senior officers — left the service. Those are not senior officers that you can replace overnight, in a year or, indeed, in two years. There needed to be a significant programme to fill those spaces with people who were experienced and qualified to occupy those ranks.
568. So, yes, with the benefit of hindsight, might we have done things differently or better? Of course. However, I go back to Mitchel's comment that with such a seismic change programme, it would have been a miracle if we had

- got through it with perfection. Are we a perfect organisation? Of course we are not. We are human beings. Policing is a human endeavour, as I have said many times. We could have done things better, but, frankly, I do not know any organisation in UK policing, in European policing, and, arguably, in the world of policing, that has gone through such seismic change and still delivered performance, still kept people safe, still succeeded in cutting crime, still increased community confidence, still reduced complaints against the police and still increased clearances. There are certain things that we can say we could have done better. I mentioned the crime operations loss of skills, and, in particular, in 2005-06, we lost 894 officers, and that was halfway through the change programme. Losing 894 experienced officers is a massive loss to any organisation.
569. **Mr Anderson:** Judith, quite honestly, that is what I wanted to hear you explain today. I knew the reasons myself, and no organisation could lose that expertise and experience and continue to deliver good policing and keep the safety of the community and property and everything in our country here. That has to be admired, and I will openly say that here today. I am not here to carry out a witch-hunt or to bash the police. I have a good realisation of what you had to come through and how that was achieved.
570. Chief Constable, you talked about red-circling. Was that a very small percentage — about 5% — at any one time? Was that in the terms of the settlement or was it just something that was agreed?
571. **Mr Perry:** It was set by the Treasury.
572. **Mr Anderson:** So, you were really restricted. You had nowhere to go. I do not think that is getting out as to why you needed expertise coming in with agency staff to do specific roles. That is something that needed to be clarified, and you have clarified that today.
573. **Deputy Chief Constable Gillespie:** Sorry to interrupt you, but I also want to clarify one other point. The prize in all this was achieving 30% Catholic composition of the Police Service. Remember that it was a voluntary severance programme, and if we had significantly delayed the number of senior ex-RUC officers who were departing under severance, that would have had a material impact on the prize of 30% Catholic composition. Let us not lose sight of that.
574. **Mr Anderson:** Do you agree that demands to implement Patten were coming from certain quarters to push you down the road to meet targets to get this implemented? That, along with the restriction on red-circling, put you into that position where you had nowhere to go other than to seek this agency type of recruitment in the way that it was done at that time to ensure that good policing was delivered?
575. **Deputy Chief Constable Gillespie:** There was a real desire on all our parts to be representative of the whole community right across the spectrum. We have talked about community background but also gender and race. We are becoming a much more diverse society in Northern Ireland, and it is important that, as a police service, the community can see a reflection of their face in our face. Therefore, it was not just about the community background issue, albeit that there was a real political interest in meeting the 30% Catholic recruitment target, and we met that. Actually, we slightly exceeded it. We can all be very proud of that and proud of the fact that young Catholic men and women were prepared to step forward, at not insignificant risk in some cases, to join the PSNI. We could point to examples where young Catholic men and women have been targeted as a result of that decision. Therefore, the fact that we met that target was extremely significant and very welcome right across the organisation. I would not want anybody thinking that we just did it because we were under political pressure. We did it because it was the right thing to do.
576. **Mr Anderson:** Did your HR department come under severe pressure at that time? Did it have difficult issues that

- normal HR departments would not have to face? Fingers could be pointed at HR in respect of the way that things were done or not done, but what you are explaining here today is that they may have been in a difficult place at that time.
577. **Deputy Chief Constable Gillespie:** I was there at the time, and I mentioned earlier that there were 80,000 transactions involving appointment, transfer, promotion or retirement of police officers and staff. I think that any HR department, even the most perfect ones — and I do not think there is such a thing — would have creaked under the strain of that pressure.
578. **Chief Constable Baggott:** I come at this from an independent view looking back, and the changes were phenomenal. In my 36 years of policing, I do not think I have ever seen any police service undergo such a radical turnover of senior people — as well as junior colleagues, but it is the senior people who provide the leadership. The HR department must have been working incredibly hard. I will come back to the point that was made earlier. Under regularity and propriety, there is no evidence of any breach in that. There was value for money achieved. In relation to the corporate grip, we have already accepted that the justification mechanism corporately was not strong enough when it got to 2007. There is a perception out there, and we have to be mindful of that. That is the work that the deputy is taking forward on equality, and we are very open about that. There has been a need to improve the accountability of individuals. That is a current debate, and all of that is right.
579. Just to say finally on that, I cannot see any signs going back that anybody lost sight of the primary objective, which is to keep people safe. Forgive me for being frank about this, but when I came to the PSNI, I thought that I would find human rights as something that people were taught but that sat on a wall. I have to say that every part of decision-making includes the overriding responsibility to protect people and keep them safe. That is an article 2 consideration, which, in terms of the workforce mix, if you have a department that is falling over because it does not have sufficient people, you will bring in temporary staff to do that. That is what I see in that devolved decision-making model: keeping policing going under enormous churn because there is an article 2 responsibility to protect people.
580. Part of the benefit we have now of reducing crime and being able to work in some of the more difficult and disadvantaged areas is simply because Patten has delivered a high degree of confidence as well. Therefore, we are in a much better place now, but I will not pretend that, for colleagues at the time, it was anything other than tough. I know them and they are friends of mine, and they have talked me through some of their experiences of trying to manage all those dilemmas during a time of enormous change.
581. **Mr Anderson:** You said that the corporate grip was not strong enough. Are we now in a position where it is?
582. **Chief Constable Baggott:** I will refer you to the report. It talks about significant improvements, but, again, we have benefited from a culture in the PSNI of willingness to self-challenge. The critical comments in the report come from internal documents. They come from self-challenge. The strategic policing review in 2009, which hit the headlines as something wrong with the PSNI, was an enormous piece of self-challenge. We are open to the Policing Board in a way that I have never experienced before, both publicly and privately, in terms of challenge. The governance arrangements are better because with devolution has come four-year planning, a reinvestment of money and the ability to manage the workforce better. We asked for that, and we got it. We are held accountable as this new team for having a grip of the business, and we have introduced a whole raft of things that I will not bore you with now, but they are auditable in terms of a new policing plan, more people on the streets, better technology, four-year planning, bringing in experts and working on accountability.

- There is a list as long as your arm of things that we have been able to do together because of the prize of devolution.
583. **Mr Anderson:** Thank you for that. Case study F refers to an officer who was not a temporary worker employed under the Grafton contracts. I think he was employed on a consultancy basis. You told us that that was for a specific issue. Were there many cases like that?
584. **Chief Constable Baggott:** Sorry, I missed the question. Forgive me.
585. **Mr Anderson:** Case study F, on page 43.
586. **Chief Constable Baggott:** Can I come back with the detail on that? Forgive me, but I do not have the exact facts with me. This is a fully justified post.
587. **Mr Anderson:** I picked up somewhere that it is probably a post that was not red-circled. It had a specific task and needed specific expertise.
588. **Chief Constable Baggott:** It is quite critical to the coroner's work, and the deputy gave you some of the feedback from the coroner on that.
589. **Deputy Chief Constable Gillespie:** The contract, in this case, finishes in May 2013. So, there is an end game. However, if your question is how many people we have —
590. **Mr Anderson:** There are not many.
591. **Deputy Chief Constable Gillespie:** We are happy to give those details to the Committee, if that is helpful.
592. **Mr Clarke:** I have a couple of questions arising from what Sydney asked. I think back to last week when we spoke to the Audit Office about this report. You talk about the experience that you lost, and nobody can underestimate the amount of experience that was lost so quickly, given that big change. Once someone leaves the service, they become a civilian. It does not matter whether they are rehired because they were a former officer; that is getting lost in a lot of the report. When you look for a job today, one of the things they talk about is desirable qualities and criteria. Given the experience loss in the organisation so quickly — I am directing that at you, but you were not there at the time — would you have felt, if you had been in the position you are today, that it would have been desirable to rehire people who had the experience?
593. Some others want to call it a revolving door, but that is the wrong terminology, because a scheme was set up to reduce the force to this magical figure of 7,500. It was not necessarily thought out, because there was a gap in experience, and no one considered how to fill the vacuum of all that loss of experience over the years. I am really asking a direct question to you, Matt. If you had been in post at the time, would you not have thought it desirable to rehire people who had the experience? The wider public have to get their head round this also. Some of the officers came back in on a considerably lower amount of money than they were paid when they were police officers. The press sometimes skews reports to force the story into the media that it is a revolving door. They say that an inspector left one afternoon and came back in the next day at the same pay grade. That is certainly not the case. They were rehired on the same scale as any other civilian. Is that not right?
594. **Chief Constable Baggott:** That is right.
595. **Mr Clarke:** If you had been in post at the time, would you have thought it desirable to rehire ex-police officers given the experience that they brought in the interim until you got those positions filled properly?
596. **Chief Constable Baggott:** It is inevitable in modern policing that you might have to add policing skills for a short term. Some of that is because you cannot predict the nature of organised crime threats. For example, in 2007, nobody predicted that we would have a paramilitary challenge again, but that has been significant, and the support that I have had from the Executive in additional money and making sure that that money is sustainable over

- four years has been utterly critical. Without that, we would have probably had to withdraw from policing with the community, which is the great strength of policing. We have been able to add to that rather than withdraw from it. Part of that has involved the careful use of temporary staff for short-term work, whether that is investigative, dealing with threats, dealing with child abuse or back record conversion. You might want to bring in temporary staff for a specific period of time for a range of tasks because you cannot afford them for the long term because of the budgetary uncertainty.
597. **I come back to this point, though:** we are in a different place now where we have an opportunity to have a far tighter grip over the justification for this, and we now understand more the implications of it. I suspect that all my colleagues, probably including Martin Callinan in the South, are having to grapple with the inability to plan for the long term because of recession alongside a change in the crime environment and things that you did not expect, such as new responsibilities for the Police Service. We now have responsibilities for dealing with public protection, and we did not have that before. We have to deal with sex offenders coming out of prison, let alone putting them in prison. Our responsibilities and the threats have grown, but the budget has shrunk, and we cannot predict for the long term. Part of the solution involves the justified use of temporary staff, but it has to be limited and justified.
598. **Mr Clarke:** I appreciate your point, and any right-thinking person would accept that. I will go back to the report again in relation to that same question — and I did ask the Audit Office this last week. Are you familiar with being asked whether it would have been desirable that the people who were rehired had previous experience? Given the descriptions of the jobs and the roles, I would have thought that an opportunity had been lost because the experience was lost so quickly. When compiling this report, did the Northern Ireland Audit Office ask you whether there was any suggestion that it would have been more desirable to rehire previously employed police officers?
599. **Chief Constable Baggott:** I do not think that the question was put in that way. We have given explanations as to why certain posts were filled. I do not think that the question was framed to us in that way.
600. **Mr Clarke:** I ask because I framed it that way last week. Neil is here. He may want to answer it today, Chairperson, if you will permit it.
601. **The Chairperson:** Yes, if Neil wants to answer.
602. **Mr Neil Gray (Northern Ireland Audit Office):** Sorry, what is the question?
603. **Mr Clarke:** I raised it with you last week, and the question is this: why was there not a breakdown of whether it was desirable that some of the civilian staff who were formerly police officers were rehired?
604. **Mr Gray:** As the Chief Constable said, in certain cases, it was quite obvious that policing skills would be necessary. There are a number of posts in crime operations, criminal justice, etc.
605. **Mr Clarke:** My question is this: did you ask for a breakdown?
606. **Mr Gray:** Yes.
607. **Mr Clarke:** You did?
608. **Mr Gray:** A breakdown of each and every post?
609. **Mr Clarke:** Yes.
610. **Mr Gray:** That could not be provided, because we are looking at —
611. **Mr Clarke:** It could not be provided if you did not ask.
612. **Mr Gray:** It could not be provided because we were dealing with over 2,000 posts down the years, many of which did not have a job specification or a job description. Therefore, it is very difficult to go back over a period of 10

- years and justify each individual job. I am sure that you appreciate that.
613. **Mr Clarke:** Actually, I do not because when I asked you last week, you said that the information was not provided. That is my recollection of what took place last week. My point is that it would have been useful to include such information in the report. I am not putting words in Neil's mouth, but if he needs information, it is up to him to ask the question. The police might suggest at that stage that they could not provide the information because there were over 2,000 people. However, I am picking up from what Neil said that he has answered on behalf of the police. From what I have taken from the Chief Constable, the police were never asked that particular question.
614. **Deputy Chief Constable Gillespie:** Forgive me, but I am not sure that I fully understand the point that you are getting at. Figure 14 in the Audit Office report is quite helpful in highlighting the positions held by temporary workers where policing skills were required. You can see, not surprisingly, that there was a preponderance for temporary workers to occupy posts such as assistant investigators, intelligence officers and investigators. In the case of assistant investigators, 91% were Patten retirees; 97% in the case of intelligence officers; and 99% in the case of investigators. We should not be surprised by that, because those were vacancies that required police experience, but not the others.
615. **Mr Clarke:** I am not taking away from that. However, for me, figure 14 does not work as well as others that use statistics to show the numbers of officers who were re-employed. Figure 13, for example, shows that there were 14 assistant chief constables, but none of those was re-employed. What I am saying is that a table with a specific number of the officers who were re-employed, for whom experience would have been a desirable criterion for them to be re-employed, would be better than one showing an overall number of days worked. I think that that is hidden. To me, the way in which that has been presented hides the fact, if the police have been asked the question in the way in which I framed it last week, which was this: in terms of the sum of people coming back, what was the number for whom it would have been desirable that they had knowledge of the particular job as opposed to someone coming in off the street? What we have here is something hidden in hours as opposed to showing the number of those individuals.
616. **The Chairperson:** Can I bring Neil back in to respond to that?
617. **Mr Gray:** I can only respond in similar terms, Trevor. We are dealing with 2,740 folk who have been in over 10 years. Now, when I ask the PSNI whether it has job specs for all those and it says that it does not, it is difficult to go back over 10 years and make a decision about whether each post needed particular policing skills and whether the individual who occupied each post was the best person for the job. Frankly, I did not attempt to do that over the course of quite a limited time in which to produce this report.
618. **Mr Clarke:** I just want to tie this down: were the job descriptions asked for?
619. **The Chairperson:** Yes, they were.
620. **Chief Constable Baggott:** Forgive me; I do not possess that detail. Perhaps one of my colleagues can help? They were not. OK.
621. **Mr Clarke:** Sorry, what was that?
622. **Chief Constable Baggott:** I understand that they were not.
623. **The Chairperson:** Please speak through the Chair. I am afraid that we cannot really have people contributing from the gallery, Mr Baggott. Just to confirm that for you.
624. **Chief Constable Baggott:** Forgive me; I was trying to clarify the point.
625. **Mr Clarke:** You now have the information? Sorry, what was it?



626. **The Chairperson:** I think that we can get that in writing. Is that possible?
627. **Chief Constable Baggott:** Yes, that is fine. We will do it in writing.
628. **Mr Clarke:** Did I pick it up that you were not asked?
629. **Chief Constable Baggott:** In keeping with protocol, I probably need to go through the Chair and reply to that in writing.
630. **The Chairperson:** Through the Chair, you are not allowed to correspond with anybody in the Public Gallery, and I would appreciate your observing the protocols —
631. **Chief Constable Baggott:** Forgive me; I am trying to clarify —
632. **The Chairperson:** — so, the request —
633. **Mr Clarke:** For the benefit of all who did not pick it up: it seems like they did not get that information.
634. **The Chairperson:** — if it is there, can we get that information in writing?
635. **Chief Constable Baggott:** If you ask the question, we will give you the answer in writing, yes. Forgive me, as I am cutting across the business of colleagues in the Audit Office here, but I just probably need to say that, in the trends and the numbers, figures 13 and 14 provide a sense that police officer posts were being filled in the right way by a high percentage of former police skills. Other posts, which did not necessarily need police skills but might have required a degree of competence, were filled to a lesser degree, which shows that members of the public were coming in and filling them. You can see the distinct trends in relation to that and the scale of the churn that was going on.
636. Although I am happy to answer the questions, I am not so sure whether there would be any benefit in trawling through 2,000-something job descriptions. That would be potentially very resource intensive for me, and I would have to deploy quite a significant number of people to do that. The operational issue for me is that the report confirms to me that our governance arrangements have significantly improved, and if there was an issue, it has now been resolved. I just invite you to think about whether there is the necessity to do that, because I am not sure that that would be practical.
637. **Mr Clarke:** First, you could get some agency workers in to do that wee piece of work for you, but make sure that they are not ex-police. The problem that I have is that the media — although you do not listen to them as much as some of us have to — have focused on the number of re-employed police officers and the number who were just civilians. What they have not focused on is the fact that some of those ex-police officers were rehired to positions for which it would have been desirable to hire former police officers. The report is not pulling that out. It may turn out that it would not be reflective of that, but I assume that it would, given the service of the people who left quickly when Patten was initiated. That led, on your own admission and on that of many people, to a lot of experience being lost fairly quickly. So, I think that it would have been important for this report to clarify whether it was desirable for the majority of posts to have been filled by people with policing experience. That is why I think that the figures would be useful.
638. **The Chairperson:** OK. Mr Gray?
639. **Mr Clarke:** I am disappointed that the Audit Office did not ask for that.
640. **Mr Girvan:** It is suffice to say that 61% of the people who were employed through an agency had no previous police experience.
641. **The Chairperson:** OK; thank you. Mr Gray wants to come back in again. Sorry, Kieran.
642. **Mr Donnelly:** I want to make the general point that we did make the point very strongly in the report that police skills were necessary for many of these posts. The difficulty was in trying to get a

- quantitative handle on it. I have to say that it was impossible, given the quality of management information that we were working with.
643. **Mr Clarke:** I accept what Kieran is saying, but we seem to have a variance in opinion here in that one is saying that they asked and the other that they did not. To me, that again brings that aspect of the report into question.
644. **The Chairperson:** Again, we have the opportunity to seek and will get written confirmation on that from C&AG.
645. **Mr Clarke:** My question is for Nick. You seem to have escaped today. Under the official rules that are aimed at curtailing the amounts that retired public servants can earn if they return to public service, normally, if a retired public servant is re-employed they cannot earn more than their original salary when their pension and new salary are combined. Are you aware of that rule?
646. **Mr Perry:** Yes.
647. **Mr Clarke:** To bring this word “equality” in, that was set aside under Patten. So, you are familiar with that rule.
648. **Mr Mitchel McLaughlin:** Sorry, what was set aside?
649. **Mr Clarke:** Anyone else who had retired from the public sector and had received a severance package could not earn more than their original salary when their pension and their new salary were combined. That was set aside for Patten. You have all said that that was a good thing, so nothing wrong was done on that. Someone whom we talked about earlier was critical of the report this week and went on to do some greater things. I imagine that he is probably very pleased that that allowed him to work for the Assets Recovery Agency and do other things, because he has done reasonably well out of that if you add the two amounts together. I was just making the observation that you were aware of that. It is only a comment.
650. **The Chairperson:** Do you have a question?
651. **Mr Clarke:** No.
652. **Mr Copeland:** I will ask about one small thing on the fringes. Figure 8 refers to a temporary worker or an associate who had their security clearance revoked. I am not sure whether they were a former police officer or not. Were all temporary workers, who will have been required to be security vetted to take up these positions, security vetted, or was there an assumption that people were clear because of the previous service if they left on a Friday and came back on a Monday?
653. **Mr Pollock:** I verify that they were required to go through vetting by Grafton.
654. **Mr Copeland:** By Grafton?
655. **Mr Pollock:** The security vetting organisation did the vetting, but it was part of the recruitment by Grafton that they would be vetted.
656. **Mr Copeland:** Were they vetted to the same standard as a police officer?
657. **Mr Pollock:** Yes, it is in the interests of the safety of the Police Service.
658. **Deputy Chief Constable Gillespie:** The level of vetting depended on the role. In some specific cases, a higher level of vetting was required. In every case, a level of vetting was required. The public would expect that. We would not want sex offenders, and so on, working in the Police Service. A level of vetting had to be undertaken.
659. **Mr Copeland:** Was there a timescale that that took? Recently, I have had difficulties getting stuff back from Access NI. Was there a delay?
660. **Deputy Chief Constable Gillespie:** I am not aware of vetting being a material factor, although, in some cases, when we needed people of a higher vetting standard in temporary positions, staff who had already been vetted to that standard would have been an attractive proposition, speaking pragmatically, for the organisation to take on board if there was a short-term piece of work that needed to be done immediately.

- That will not have been the case in the majority of these cases.
661. **The Chairperson:** Mr Baggott, I will refer to something that is not in the report but which we discussed at last week's Committee meeting. I appreciate that you might not have the information at hand. I understand that an officer can only apply for an injury-on-duty award, which relates to injuries received at any time during an officer's service, once retired and that the award is based on the officer's reduced capacity to work and is, effectively, an enhancement to an officer's pension and lump sum. Under the Patten severance arrangements, an officer had to sign a declaration stating that they were fit for work to qualify for the package and the pension arrangement. If you have the information, can you tell me how many officers who retired under the Patten arrangements declaring themselves fit for work subsequently received an injury-on-duty award? I am in no way questioning anyone who has received damages for injury. That is not the intent of the question.
662. **Chief Constable Baggott:** The process is overseen by the Policing Board. I will certainly try to provide the figures to you, but I am afraid that I am unaware of what those figures might be.
663. **Mr Pollock:** We will provide the information to you, Chair.
664. **Chief Constable Baggott:** It is a Policing Board matter; it oversees that process.
665. **Mr Mitchel McLaughlin:** I want to tease out the issue of the revolving door and the argument, which clearly has some validity, about the need to replace or retain essential policing skills. We have heard the stories, particularly the one about the officer who was investigating the road crash. It is a very pertinent, if tragic, example for us to consider. It simply demonstrates that, even in the most comprehensive change management regime, you cannot anticipate every set of circumstances.
666. If we go to figure 12 on page 33, we see that there was a revolving door; I do not know how else to describe it. Two people were employed as associates before they even left the PSNI, and 19 returned within a day. In total, 256 were back under various roles within three months of leaving. There have been enough questions on how that could happen. Explanations, in individual circumstances, have been given for how it could happen and why it happened. There is also reference to the fact that mistakes were made. If you were dealing with the situation today, what would you do differently?
667. **Chief Constable Baggott:** By way of context and in the interests of fairness, figure 12 gives out the exact numbers coming back and the timescale. Clearly, some came back very quickly. The vast majority came back having had a year's break. However we define "revolving door", they came back, but the numbers of those who left and came back within weeks are relatively small. The deputy has some detail on the posts that were filled. It would be easy to take the figures as almost a snapshot of a single year. It is not; it is over quite a significant period of time. We need to put that in the context of the years of the Patten period that this applies to. If you do that, the numbers become somewhat fewer.
668. What would I do differently? I would do what we are doing now, which is to be more centralist. That has not been without challenge within the PSNI and outside, because the spirit of Patten has always been about decision-making at the lowest possible level. We have exercised a far greater degree of corporate grip around the policing plan and outcomes. In the new appraisal scheme, every senior officer has an objective to provide value for money. We assess how they use their resources in a very different way. We have been able to implement a far greater degree of corporate governance. The star chamber approach — if I can put it that way — that we use holds people accountable for a far greater degree of justification. I am not going to be critical of my colleagues who went before; as I said,

their imperative was to fulfil every Patten recommendation to the letter. Part of that was having a regime in which decisions, resources and ownership were at the lowest possible level. When that came to be a problem in 2007, they decided that the interests of getting to the devolution of policing and justice in confidence outweighed a greater degree of central control. I probably might well have done the same, but we have a far greater grip today.

669. **Mr Mitchel McLaughlin:** The bald statistic — I am trying to be very fair — is that one in five retirees under Patten came back in one role or another. That is one of the difficulties in explaining that that reflected what Patten intended. The reason I was asking what you would do differently was to give you an opportunity to indicate whether we had got into the groove of using Grafton, whose labour pool was drawn from retirees, or whether we were advertising widely and canvassing other police services. Looking for the skills for the gap that we were attempting to fill meant that we could look in fairly specialised areas. Is all that now built into the methodology? It could be a different agency, or it could be Grafton, given that it seems to have the market cornered. Are we always going to go back to it?
670. **Chief Constable Baggott:** The current contract is due for renewal. It is with the Justice Department, but it is on hold at the moment, while we take into account what is said at this meeting and any feedback that we have. I think that it is right to do that. We need to look at this report and learn lessons. We have a managed service contract, which has just been taken out. It was also won. It was presented to the Policing Board in a very thorough presentation, and it was very constructively received. That is more about the management of functions.
671. We will need to have some temporary staff going forward. Some of our additional funding is short term. Without being political, my expectation is that, next year, when we start talking about

the next comprehensive spending review, it will be very difficult for me to commit significantly to bringing in permanent staff or even increasing our establishment of police officers over the long term until we know what the budget clarity will be. However, you can be assured that we have much tighter scrutiny and the star chamber approach works very well. To some degree, it is causing me pressure because we have reduced significantly the amount of temporary staff under the deputy's leadership. We have been questioning everything, and, to be frank, gaps are starting to appear.

672. **Mr Mitchel McLaughlin:** The point that you made, and, where I was trying to be fair, I did not include people who were recruited after a year because it is very difficult for me to understand how it could be an essential skill if you could go back after a year to hire somebody. I do not understand why that could not have been broadened out. I can see the argument for hiring somebody the next day. That speaks to me of an urgent need not to allow a skills gap to open up, but rehiring a Patten retiree after 12 months does not seem to fit that category. That is why I did not hit you with that question, but you invited it.
673. **Chief Constable Baggott:** That is a consequence of the process of employing a contractor to find you people.
674. **Mr Mitchel McLaughlin:** Exactly.
675. **Chief Constable Baggott:** As you said, if people are in the labour market and they sign up to that, it is a consequence of the process. The question is very valid, and it is whether you could deal with this in a different way by issuing more permanent staff contracts or directly recruiting people into the organisation. I think that is difficult because the value for money arguments made in the report and the savings by doing it through a contractor are also facts that need to be taken into consideration. However, it is a very valid challenge.

676. Across the UK and across European policing, I see an increasing use of temporary contracts. I see an increasing use of the private sector coming in and taking over policing functions. That has raised a whole raft of questions, which, in fairness to our Policing Board, it was ahead of. How do you hold these people accountable? Can you justify every post? Is the essence of policing changing because you are bringing in commercial concerns rather than people who have signed up to the code of ethics? I am not trying to confuse the issue, but they are really difficult dilemmas that range from accountability through to value for money through to actually delivering operational capability.
677. My sense at the moment is that I think that we have got the balance about right now because of the four-year planning regime and what we have achieved. The critical issues are about a far greater degree of transparency and accountability. I would probably throw into the pot that what I need in return is a bit more pragmatism in relation to this, particularly since the governance is tightened. That is a very personal take on that. However, I think that the balance is about right at the moment. I do not fear the here and now; it is about going on from next year.
678. Patten envisaged 7,500 police officers — 2,500 part-timers and the permanent staff — in a peacetime scenario. I am at 7,100 or so. The numbers are dropping dramatically at the moment. I have to use temporary staff to fill some of that, even in spite of the scrutiny. I have just let a new managed service contract, which has the Policing Board's approval. That has been very welcome, but, next year, we get into a renegotiation of money, a significant amount of which has been bolted on. At the moment, that is preserving our policing with the community.
679. So, we will have to grapple with that. It will be a tough one. I think that we will be using temporary staff under a far greater degree of control. I think that we will be using managed services in a way. We have enhanced some of the accountability around that. However, the big issue for the Policing Board working with me is how we will sustain the current high level of performance when the money and numbers have dropped and it gets tighter. That is a very real dilemma.
680. **Mr Mitchel McLaughlin:** On that basis, I presume that you would not actually defend the fact that 96% of the staff hours that were required of safety camera operators were provided by Patten retirees. For drivers, the figure is 85%.
681. **Chief Constable Baggott:** To some degree, I can, because that is an investigative function and not simply a camera-operator function. It is an evidential function as well.
682. **Deputy Chief Constable Gillespie:** It is important to remind ourselves that many ex-police officers who came back as temporary staff did not actually occupy posts that required police skills. They were recruited through an agency. We asked for drivers, safety camera operators, and so on. Some of the folk who came back to work in those roles were ex-police officers.
683. **Mr Mitchel McLaughlin:** Eighty-five per cent?
684. **Deputy Chief Constable Gillespie:** Looking at that with the benefit of hindsight, it is hard to stand over it. Many of the folk who are temporary staff worked previously as safety camera operators. I speak entirely frankly when I say that there was a convenience about that because those staff could step into the role very quickly and needed minimal training. Actually, it is my understanding that, to occupy that role, you need pretty minimal training anyway. Therefore, it is hard for us to justify that preponderance of ex-police officers in those roles. I absolutely concede that. However, it was pragmatic and convenient.
685. **Mr Mitchel McLaughlin:** I will not concede it, but I can understand it. I can see how it could happen. I appreciate that you have addressed the point very directly.

686. Another issue in the argument about essential skills perturbs me. Let us take a look at figure 14 on page 35. Judith, you have already referred to the investigators, assistant investigators and intelligence officers. In the table that we have in front of us, I see that the “p” in brackets denotes that policing skills are required. What interests me is that, in a case that is before the courts, a barrister representing the PSNI told the court that PSNI associates are not involved as investigators. An anomaly, if that is the correct description, or a contradiction exists that needs to be addressed. It is for all today’s witnesses to explain that because it flies in the face of the explanation that has been offered about why so many Patten retirees have been brought back.
687. **Deputy Chief Constable Gillespie:** I will take that. Perhaps, the accurate description of the investigators is “assistant investigators”. I look to the Audit Office. I am pretty confident that that is the role that they occupy at present.
688. However, given all the points that have been made about public confidence, especially in those particular roles, I want to assure the Committee that we have a plan to manage out the majority of those folk through a more sustainable human resources model that will rely on permanent posts. In the case of intelligence officers, we are recruiting trainee intelligence officers. I referred to the change in direction. Previously, we went to the board in 2006 and got its approval to recruit police officers straight into the crime operations department rather than them having to go through all the hoops of being detectives first. We have a cadre of trainee intelligence officers who are about to be appointed into the crime operations department and who come from the PSNI. That is very important.
689. I also assure the Committee that we have a new cadre of trainee intelligence support officers coming in who are from our existing cadre of police staff. Again, we are retraining our existing police staff to take up those posts permanently. We are almost in the horns of a dilemma. We say that we need to replace essential skills temporarily with associate staff. However, at any stage, those same associate staff could walk away and leave us in the same breach that we are in with the lack of experience. We need a more sustainable, longer-term human resource plan, which is what we have developed in consultation with the board. We are taking that forward. We have a select list of people to draw off as a result of an open competition in the organisation.
690. **Mr Mitchel McLaughlin:** I would like to hear what the Department and the board have to say.
691. **Mr Perry:** Do you mean about the particular roles that are being used?
692. **Mr Mitchel McLaughlin:** I would like to hear about the respective roles of the police, the Department of Justice and the Policing Board in continuing to manage the process of change and ironing out the anomalies that have emerged.
693. **Mr Perry:** It is not for the Department to tell the Chief Constable who the police should employ or, in the case of temporary staff, where they should be deployed. That is an operational decision for the PSNI, overseen by the board. Our oversight is at the strategic level of expenditure on particular categories and areas. Obviously, we have a general interest, as we referred to earlier, in confidence in policing. We look primarily to the engagement between the Chief Constable and the Policing Board to sustain that. If we can help in any way, we will, and if we are asked to help, we will. The detail of particular posts and particular individuals with specific backgrounds is a matter for the police.
694. **Mr Mitchel McLaughlin:** It is not fair to press that too far with you, but I ask you to reflect on that. We have identified some genuine issues with the limited testing of the market for possible recruits and the whole issue of an equality impact assessment. If

- we are going to change that in future, the Department should have some kind of authority in those responsibilities. I would appreciate it if you would reflect some more on my question to see whether the Department could do more than just what immediately occurs to help us all to manage our way through. I am in no way impinging on the operational independence, but I do not accept that this issue is protected by that particular necessary procedure.
695. **Mr Perry:** I will certainly reflect on that.
696. **Mr Pollock:** The formal mechanism is that the board must conceive a long-term corporate plan within which the Chief Constable's policing plan fits. The consultation that will go on with the community to establish local targets and indicators is where the interface needs to really matter.
697. We are now 10 years post Patten, and a body of new staff in the PSNI is developing experience and skills. They should be moving on and being promoted. The importance of having succession planning and having a sustainable strategy for your key posts is now much easier to attain than it was in the first years, in which there was unbelievable dislocation or upheaval for an organisation to lose so many people so quickly and to be bringing in recruits at such a level. We now have a situation in which the board can engage constructively with the Chief Constable and his staff to develop long-term strategies that will stand against the economic pressures as well as the changing crime environment and the changing scope and capacity of the PSNI. I would advise the board to give that interface and consultation process maximum priority, to make it very visible and to engage in consultation with the community and the PSNI. The board should use the representativeness of its members to bring the very best quality to those strategies. As I said earlier, the report helps us focus on the key areas where resource planning needs to improve and to be consolidated in a very positive manner.
698. **Mr Mitchel McLaughlin:** To qualify for Patten, you had to be transferred to the PSNI from the RUC before 1995. Is that the threshold?
699. **Deputy Chief Constable Gillespie:** It was a combination of age and service, and points were allocated by adding together your age and your service in days.
700. **Mr Mitchel McLaughlin:** Thanks for that. We are almost 20 years into that process, and the arguments about skills sets have to be addressed in that context. The question, which we hope to resolve, about whether there were job specifications is part of what has to be gathered up from all this so that those kinds of situations will not arise in the future. As time moves on, some of those issues are being resolved for us, but we still face the challenge of ensuring that skills gaps do not open up. I wish you all the luck in the world with that one.
701. **Chief Constable Baggott:** I was going to invite you to get us some stable budgets over the next four years, but I think that that is beyond most people's gift to provide.
702. **Mr Mitchel McLaughlin:** Definitely. Especially when you are dealing with welfare reform.
703. **Mr Dallat:** Chairperson, could I be so bold as to ask: has everybody finished asking their questions?
704. **The Chairperson:** Michael Copeland has still to ask his.
705. **Mr Girvan:** I want to go back to Mitchel's point about those who came back in. My understanding of the agencies is that people put their CV in. The peelers, or the officers, who were retiring will have said to one another, "Put your CV into Grafton and let it stay there." At the end of the day, when a post becomes available, the agency will sift through the applications that it has. That is the way it is. It is quite straightforward.
706. Some of the posts have been identified as potentially full-time posts, and I am looking at when they convert from being temporary positions employed through

- Grafton. I understand that you make a business case, and each post will have some job evaluation to see whether it is sustainable in the long term. There was a process to do that. I cannot remember the exact figures but, for example, there may have been 400 posts, and you indicated that you will try to get that number down to a couple of hundred full-time posts. You have been given a window to do that in. Will those people be appointed directly through your HR department or will you use the same process?
707. **Deputy Chief Constable Gillespie:** Some are likely to be appointed through open competition outside the PSNI and others through internal trawl, because, as we restructure and put into place our efficiency programme, which will release some back-office-type posts, those staff will need to be redeployed and will be available to apply for some of the more permanent posts. It is not necessarily growth, but, in some cases, inevitably, it will be.
708. **Mr Girvan:** That is not dissimilar to what happens in any other public sector organisation.
709. **Chief Constable Baggott:** That is right.
710. **Mr Copeland:** Chief Constable, case study G on page 44 indicates that an officer was retained for five years in a temporary capacity. Is there any explanation for why it took that length of time to train a member of staff to undertake the role, which I understand was fairly specific?
711. **Deputy Chief Constable Gillespie:** I will not try to justify someone being appointed temporarily and being in post for five years, but it was because of a lot of the things that we have discussed, including the complexity of the human resource processes and the 80,000 human resource transactions. This ex-inspector had been involved in the human resources department and came back to manage that process very successfully. There was an endgame to it of course; the contract ended. It was terminated in June 2011. However, with the benefit of hindsight, could we have made that a fixed-term contract that was available to someone outside the organisation? Maybe so, but it would have taken them a long time to be trained up to operate the systems and understand our HR complexities, etc. That is the way that it was.
712. **Mr Copeland:** Why was the post not red-circled? In other words, if his skills were so specific and he was so vital that —
713. **Deputy Chief Constable Gillespie:** Red-circling only went as far as March 2011, anyway.
714. **Mr Copeland:** So, it was gone at that stage?
715. **Deputy Chief Constable Gillespie:** The Patten severance finished in March 2011. That boat had sailed.
716. **Mr Copeland:** Thanks. At the end of the five and a half years, was the contract terminated?
717. **Deputy Chief Constable Gillespie:** In June 2011, I believe.
718. **Mr Copeland:** Who went on to fulfil the role that he had previously held?
719. **Deputy Chief Constable Gillespie:** I am not sure that he was replaced. I think that the work was finished because the severance programme had come to an end, and the manager —
720. **Mr Copeland:** So, he was largely involved in the severance programme?
721. **Deputy Chief Constable Gillespie:** I believe so.
722. **Mr Copeland:** OK. Again, Chief Constable, it seems that before January 2011, in effect, not a great deal was being done to reduce the PSNI's reliance on agency staff. Figure 19 of the report indicates the PSNI's current plan to replace the 399 agency staff that it had at the end of March 2012. Of those, 200 have become permanent posts, which, I suppose, is welcome in many ways. How many agency staff do you intend to keep?



723. **Chief Constable Baggott:** I would not want to give you a fixed figure on that because we have additional work coming down the track in relation to some of the legacy investigations. We will take a paper on that to the Policing Board in December. To point out some of the dilemmas that we face, for example, we have major investigations, such as Bloody Sunday, which we are required to investigate thoroughly. There are a lot of legacy issues for which we may need to have short-term contracts or some solution to. Likewise, I cannot predict the budget settlement or the continuity of the extra money that came from the Executive to reduce the threat level from paramilitaries. So, those are uncertainties.
724. Again, the assurance is that the mechanisms that are in place are very good and thorough, every post will be justified and there will transparency about that with the Policing Board so that it can scrutinise that as well.
725. **Mr Copeland:** Thanks. That leads me to my next point. How will you ensure that those posts can be funded in a future that is dependent on your budget allocation? However, generally, given the role fulfilled by these people — be they past officers or not — would it have been less expensive than keeping them in post as regular officers?
726. **Chief Constable Baggott:** Yes
727. **Deputy Chief Constable Gillespie:** Yes.
728. **Mr Copeland:** So, no matter what question marks there might be around the mechanics, the actual job was done less expensively than it would have been if things had been left as they were, or —
729. **Chief Constable Baggott:** That is right, and I would be heavily criticised by the Inspectorate of Constabulary in relation to some of its value-for-money reports — we have a current inspection being prepared by the Criminal Justice Inspection into modernisation — if we were not making use of all the managed services, temporary staff, some permanent staff recruitment and the whole mix of available resources and tools. I cannot give you a figure, but, looking forward, there remains a value-for-money argument and pragmatism around this. The key point is that it needs to be justified every time.
730. **Mr Copeland:** So, in some ways, and despite the Committee's genuine and real concerns, would it be fair to say that the expenditure represented value for money, and that the availability of people who may or may not have known the job made it an option that, on balance, was understandable at the very least, even though it may have fallen foul of some procedural steps?
731. **Chief Constable Baggott:** I think that would be the case if you could stand over every post and say that you are paying a rate that is cheaper; the value-for-money argument stands up. I come back to the point, though, that I would not want to say that we could look back historically and stand over every single post, because the mechanisms were not in place to do that. There was strong guidance. There was local oversight. Clearly, however, the report shows that, in a relatively limited number of cases, people stayed too long where there was not the mechanism for reviewing those posts and their justification.
732. **Mr Copeland:** It is just that, going back to the previous case about Inspector G, and I do not want to be too specific, but it strikes me as odd that you have someone leaving a very specific post, with a CV that, presumably, indicates to a recruitment agency that he is the perfect man for the job before he leaves. That whole constellation of stellar movements came together within seven days. I am not saying that that is wrong, but something looks terribly coincidental about it.
733. **Deputy Chief Constable Gillespie:** I am not sure that it was coincidental. Here was an individual with a very specific basket of skills that was pretty rare in the PSNI. It was a unique set of circumstances, and we have all acknowledged the seismic change that was going on in the organisation. It was a pragmatic solution to bring that

- individual back to manage a lot of that change, because he was very familiar with the IT processes and knew the organisation. I am not trying to justify the fact that he was here for five years. I cannot justify that.
734. **Mr Copeland:** I am not either.
735. **Deputy Chief Constable Gillespie:** We should have planned better.
736. **Mr Copeland:** It is the doorstep. I presume that if he had wanted to continue, the only place where he could have gone would have been Grafton, because it was in possession of the contract.
737. **Mr Dallat:** I assume that we are coming near the end. As someone who has done this job for 14 years or thereabouts, I have to say on the record that the witnesses that we have before us today have been entirely honest, frank and open in what they have said. Our challenge now is to make best use of the Audit Office report, which the inquiry is based on, and ensure that we can produce a report that is fit for purpose. In doing that, we have to remind ourselves that we are members of the Public Accounts Committee first and put our politics after that. That has been the tradition all along, and I hope that it remains that way. I can go home tonight very satisfied that we had four witnesses in front of us who could not have been more transparent, and that if the recommendations that come out of the report are implemented, we are enhancing the Police Service of Northern Ireland and ensuring that the public get value for money. That is, hopefully, what we are here for. It is certainly what I am here for.
738. **The Chairperson:** No other members have questions. This has been a long and necessary session. The Department and the PSNI have to ensure that all public expenditure is proper and regular and can be justified in an open and transparent manner to this Committee and to the Policing Board. Mr Baggott, you welcomed the report and highlighted the issues in it on which you had concerns. Indeed, you welcomed the fact that it helped you along the way to, in a sense, get things in order. Ms Gillespie alluded to the long-term human resource plan. We welcome that and wish you well going into the future with it.
739. I do not want to prejudge the Committee's deliberations. The Committee will consider what has been heard and will report in due course. However, as witnesses, you will understand that, at this stage, the Committee has not ruled out hearing more evidence in connection with this inquiry. We did ask for a number of written responses, and we hope to get them in due course. Thank you, Mr Perry, Mr Pollock, Mr Baggott and Ms Gillespie. I thank the very patient members of the Public Gallery and the members of the Committee, for whom it has been a long two days. I thank the C&AG and his team and Ms Hamill and the Clerks. I thank Hansard for its coverage. At times, it may have been difficult for Hansard staff to hear some members. With the acoustics here, sometimes Hansard can hear people but members around the Table cannot.
740. It is our job to uphold the checks and balances. I think we all agree that that is what we are doing today. We believe that equality is for all and that has come out of this meeting, and you yourselves and the PSNI acknowledged that.
741. I thank you for coming. It has been a long session, almost five-and-a-half hours. I think you broke the Housing Executive's record of five hours. Thank you very much.
742. **Chief Constable Baggott:** Thank you very much, Chair.

## 28 November 2012

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

Ms Michaela Boyle (Chairperson)  
 Mr John Dallat (Deputy Chairperson)  
 Mr Sydney Anderson  
 Mr Michael Copeland  
 Mr Paul Girvan  
 Mr Daithí McKay  
 Mr Mitchel McLaughlin  
 Mr Adrian McQuillan  
 Mr Sean Rogers

### Witnesses:

Mr Jason Kennedy	<i>Grafton Employment Group</i>
Chief Constable Matt Baggott	<i>Police Service of Northern Ireland</i>
Mr David Best	<i>Police Service of Northern Ireland</i>
Mr Michael Cox	<i>Police Service of Northern Ireland</i>
Mr Joe Stewart	<i>Police Service of Northern Ireland</i>

### Also in attendance:

Mr Kieran Donnelly	<i>Comptroller and Auditor General</i>
Mr Neil Gray	<i>Northern Ireland Audit Office</i>
Ms Fiona Hamill	<i>Treasury Officer of Accounts</i>

743. **The Chairperson:** Members, you are all very welcome. Are there any declarations of interest before we start the meeting?
744. **Mr McKay:** I am a former member of the Policing Board.
745. **Mr McQuillan:** I am also a former member of the Policing Board.
746. **Mr Girvan:** Members of my family are past and present members of the police.
747. **Mr Anderson:** I have extended family who are in the PSNI and formerly in the RUC.

748. **The Chairperson:** I am the former chairperson of a community safety partnership and a former member of Strabane District Policing Partnership.
749. Mr Matt Baggott, Chief Constable of the PSNI, is with us today as accounting officer. You and your team are all very welcome.
750. The Audit Office report found that almost 40% of all temporary workers in the PSNI were former police officers. On average, they were employed for much longer than the temps who were not former police officers. In all, nearly 20% of Patten retirees were employed by the PSNI as temporary staff. The Committee agreed to invite named witnesses from the PSNI's human resources department and its finance and support services department, as well as a representative from Grafton, to work through the issues that remained unclear after its first evidence session of 10 October. We agreed to address the questions arising from the Audit Office report that involve those departments.
751. I have asked accounting officers to disclose as much information as possible that is relevant to the Committee today. I put on record that I am grateful for the co-operation in providing papers for today. There was a time — 2 November — when papers were not provided within the expected time frame, but there were reasons for that. The Committee has had an opportunity today to look at the papers that came in late, both yesterday and this morning.
752. Mr Baggott, you are very welcome. Will you introduce your team?
753. **Chief Constable Matt Baggott (Police Service of Northern Ireland):** Thank you for the invitation to come back to the Public Accounts Committee (PAC) to clarify any outstanding issues of concern. There has been much

- speculation and comment about the use of agency staff, and I know that my colleagues welcome this opportunity to explain their actions and their role, as well as the context of those, in taking forward the command team's decisions at the material time, which was over the past decade.
754. I will introduce the people who are around the table. Jason Kennedy is the chief executive officer for Grafton; David Best is a director of finance in the PSNI; Joe Stewart is the director of human resources in the PSNI; and Michael Cox is the deputy director of human resources for the PSNI.
755. **The Chairperson:** You are very welcome.
756. I will begin, and then members will put their own questions to the witnesses. Witnesses, I would be grateful if you would keep your answers brief and to the point. Members who are asking supplementary questions should make sure that they are relevant to the main question.
757. My first question is for Mr Stewart. The report states that it is obviously cheaper to employ civilians for short-term assignments. I find it difficult to understand why the PSNI did not move to civilianise more posts until now and why there has been a lack of progress in that area. Will you comment further on that?
758. **Mr Joe Stewart (Police Service of Northern Ireland):** Madam Chair, thank you very much. I think that it is important to put on the record that we have civilianised over 1,000 posts since the inception of the Patten process, notwithstanding the fact that we have been assailed, as many other public organisations have been, by the reduction in public funding. Going back even to 2004-07, the intentions that we had to civilianise more rapidly were defeated by a reduction in funding.
759. In his evidence to the Committee the previous time that he was here, the Chief Constable made the point that, until 2009, we had a fixed establishment of police officers of 7,500 and that the funding stream went directly to that. Therefore, when the organisation as a whole had to face funding cuts, given that 80%-plus of the budget related to salaries and wages, the only action that we could take was to reduce the number of civilian police staff posts. I think that that explains the situation.
760. **The Chairperson:** Mr Stewart, from your perspective as director of HR, can you explain to the Committee why so many back-office roles are still being performed by police officers?
761. **Mr Stewart:** I do not think that it is correct to suggest that so many back-office jobs are still being performed by police officers. If you took a national comparison, under Her Majesty's Inspectorate of Constabularies classification —
762. **The Chairperson:** Do you have a figure for how many are doing that at present?
763. **Mr Stewart:** No, we do not have a precise figure, but we can provide you with that information; we have supplied it to the Policing Board in the past and it is in the Policing Board's dashboard. Michael may have some information on that.
764. **Mr Michael Cox (Police Service of Northern Ireland):** Yes, of the 7,000 police officers that we have, 94.2% of them are in operational roles that are forward-facing. So, the overwhelming number of officers are in service delivery and operational-type roles.
765. **The Chairperson:** Mr Stewart, the Audit Office report told us that an equality impact assessment (EQIA) was never carried out on the policy on the recruitment of agency staff. Why was that the case?
766. **Mr Stewart:** In her previous evidence to the Committee, the Deputy Chief Constable covered that quite extensively. We accept that we did not carry out an equality impact assessment. We believe that it would be impossible to do so, and we have researched every other

- public body and found that not one has executed an EQIA of temporary workers.
767. **The Chairperson:** What have you done to make sure that the screening of human resources policies is a mainstream concern in your department?
768. **Mr Stewart:** In 2004-05, we had a range of policies screened. In case we are in any way off the mark on this, as the Deputy Chief Constable said, we also instituted meetings with the most senior people who we can deal with in the Equality Commission to see how best we could take the matter forward. A meeting on that took place some three weeks ago. It was very positive indeed, and a further meeting has been arranged.
769. **Mr McKay:** I welcome you all to the meeting. There are a few familiar faces here. This reminds me of a Policing Board meeting, where we used to be surrounded by a lot of paper.
770. **The Chair made a point about equality screening. Has the policy on the use of temporary staff been screened?**
771. **Mr Stewart:** Sorry, Daithí, I missed that last bit.
772. **Mr McKay:** Has the policy on the use of temporary staff been screened?
773. **Mr Stewart:** No, it has not.
774. **Mr McKay:** Are there any plans to do that?
775. **Mr Stewart:** That is what we are talking to the Equality Commission about, as we are not quite clear about how that might be done, given that nobody else has done it.
776. **Mr McKay:** Did you speak to the Equality Commission about that in 2004 or 2002?
777. **Mr Stewart:** We contacted the Equality Commission. In fact, the equality and diversity unit has operated out of my department. It is not something that I created when I took on the job in 2001.
778. **Mr McKay:** Was that matter specifically raised in 2002 or 2004?
779. **Mr Stewart:** I cannot say that it was specifically raised in 2004. All that I can tell you is that my department completes all its annual returns to the Equality Commission, and in fact —
780. **Mr McKay:** Will you check that point and get back to us in writing?
781. **Mr Stewart:** Surely.
782. **Mr McKay:** Will you also check whether any suggestions were made to you at the time saying that the policy should be screened and then provide that information in writing as well?
783. **Mr Stewart:** Absolutely.
784. **Mr Dallat:** I am afraid that I cannot see a familiar face. This is the first time that I have met you, Mr Stewart. I am really pleased that you were able to come along today. You were not able to come along the previous day, but I understand that you were in the Building the day before that. What happened?
785. **Mr Stewart:** I was on leave. That is why I could not attend. Also, I was not requested to attend.
786. **Mr Dallat:** OK. It was a very important meeting. It may well have dispensed with the need for this one today if you had been available, but, of course, you are entitled to your leave. You say that you met the Equality Commission three weeks ago. You are probably the last remaining link between the RUC and the PSNI. You have been there since 2001.
787. **Mr Stewart:** I have been there since 2001, but I do not think that I am the last remaining link.
788. **Mr Dallat:** You are certainly in a key position to have ensured that the whole Patten process was carried through. My information is that a lot of the responsibility was devolved down to divisional commanders. Is that true?
789. **Mr Stewart:** I should say that I am actually responsible for all the Patten implementation. The Oversight Commissioner made 700 performance indicators, 400 of which fell to my department. We have achieved almost

- all those 400, including the recruitment of people under the 50:50 and the severance schemes. One of the policy recommendations in the Patten report — the Chief Constable covered this in his evidence — was that there should be maximum delegation to divisional and district structures. The command team as a whole embraced that, which is why there was extensive devolution of responsibility to district commanders between 2004 and 2010. However, they were not left to carry on in isolation, because we also invested heavily in finance resources and human resource expertise to sit alongside them and to guide them in the decisions that they made on budgets and engagement.
790. **Mr Dallat:** That leads me to my question. So, were you really on the balcony looking down on that whole process?
791. **Mr Stewart:** I was not on the balcony; I was in the command team with the Chief Constable and other colleagues when the decision was taken to proceed and preserve maximum delegation.
792. **Mr Dallat:** Mr Stewart, how do you then explain why the whole thing went so horribly wrong with so many retired officers returning again when those jobs could have been civilianised? You could have created loads of jobs for new people during a period of high unemployment.
793. **Mr Stewart:** Mr Dallat, I do not think that I could agree that it went so horribly wrong. The report itself envisages that the return of ex-officers into particular jobs is entirely legitimate and reasonable. The report also says that it is a matter of value for money. I was concerned about the number of temporary workers that we were engaging, and I think that the report refers to the fact that, in 2007, a draft report was put before colleagues in the command team and the Policing Board that sought to draw their attention to the scale of the number of temporary workers who were in place at that time. That report was really a product of us debating and discussing with colleagues over time the extent to which temporary workers were being utilised. Colleagues referred to a matching delegation of provisions under Patten and to the many other things that were going on at that time.
794. I think that it is important for the Committee to recall that the organisation was undergoing major reorganisation and a change from 25 district command units to eight. We were in the middle of implementing the compulsory redundancy of all the full-time reserve officers, and gaps were appearing throughout the Province. Therefore, many commanders felt that engaging temporary workers to cover those gaps was the only way that they could keep their performance up and deliver the service to the public.
795. **Mr Dallat:** I will come back later, Chairperson.
796. **The Chairperson:** I remind members that they have chosen areas of questions to ask about, so they should not cut across anybody else's question.
797. **Mr Mitchel McLaughlin:** Good afternoon. Mr Stewart, returning briefly to the first question that John Dallat asked you, do you confirm that you were here in the Building the day before our hearing in October?
798. **Mr Stewart:** Yes.
799. **Mr Mitchel McLaughlin:** Do you also confirm that you were at the Policing Board the day after our hearing?
800. **Mr Stewart:** I was.
801. **Mr Mitchel McLaughlin:** You indicated that you were not invited to our meeting. However, is the fact not that we wished to see you, particularly given the topic? We were informed that you would not be available on the day of our hearing. It was not that you were not invited; it was that we were told that you were not available.
802. **Mr Stewart:** I cannot comment on that, because I am not aware of that correspondence. All I know is that I was on leave —

803. **Mr Mitchel McLaughlin:** Do you accept those as the facts of the matter?  
We wished to speak to you on that occasion, and we were disappointed that we did not.
804. **Mr Stewart:** I saw from the subsequent Hansard record that my name was referenced in the meeting, but I was not aware of it beforehand.
805. **The Committee Clerk:** Mr Stewart's name was not in the initial invitation to officials. We later enquired whether he would be available. We were told that he was on leave that day and could not come. So, he was not in the original invitation.
806. **Mr Mitchel McLaughlin:** I accept that there was no invitation, but that was because we were told that you were not available.
807. Can I establish that you had a role in the preparation of and the negotiation and discussion on the severance arrangements under Patten?
808. **Mr Stewart:** I assisted the head of the Northern Ireland Office (NIO) policing division in the negotiations.
809. **Mr Mitchel McLaughlin:** In what capacity, if you do not mind me asking?
810. **Mr Stewart:** I was involved in two capacities. I was involved as the then chief executive of the police authority in the discussions on the voluntary severance scheme, and I was subsequently engaged alongside the current permanent secretary of the —
811. **Mr Mitchel McLaughlin:** The Justice Department?
812. **Mr Stewart:** No, of the Department of Justice in the negotiation of the compulsory severance scheme. At that time, I represented the Chief Constable. The then chief executive of the Policing Board was also present in those negotiations.
813. **Mr Mitchel McLaughlin:** As a consultant or as the HR director?
814. **Mr Stewart:** As director of HR.
815. **Mr Mitchel McLaughlin:** In that context and in that capacity as the director of HR, what was your role and responsibility in three related areas: the succession planning; the civilianisation strategy; and the use of agency staff?
816. **Mr Stewart:** The objective of the voluntary severance schemes and the compulsory scheme was not to touch on any of those things. The great prize in and the two objectives of the voluntary severance scheme were to ensure that enough people were encouraged to leave the RUC to enable us to recruit new people into the Police Service of Northern Ireland under 50:50. This may seem ironic in hindsight, but the biggest concern was that the terms were not going to be attractive enough to encourage police officers to leave. Without being able to encourage the officers to leave, there was no way of achieving the 30% target that we achieved under Patten. So, that was the focus.
817. As I recall, the sense with the compulsory severance scheme was to ensure that it did not force police officers out of jobs, although that was how the staff association saw it. It was not to be seen as less favourable than a voluntary scheme. That was the main source of those discussions. It was recognised that those particular officers might have great difficulty gaining alternative employment, and that was evidenced by the fact that they had a long training period paid for by the public purse to enable them to prepare for re-employment elsewhere.
818. You will see that succession planning is not mentioned anywhere in the Patten report, because the focus was on getting people out the door, to put it straightforwardly. That resulted in a situation for the organisation that was, frankly, impossible to contain, with the loss of over 800 people at inspector rank and above and a turnover of about 450% in the superintendent and chief superintendent ranks. It was a wholly exceptionable set of circumstances, and, to be fair, the Audit Office, the Oversight Commissioner, the board's

- own consultants on the matter and the independent adviser, Sir Dan Crompton, all recognise that.
819. **Mr Mitchel McLaughlin:** I am interested in the reference that you made in passing to Patten and succession planning. The Patten report identified the potential issues with the loss of essential skills — succession planning. Are you saying that you had no specific responsibility for succession planning, such as managing the exodus of experienced officers and ensuring that the Police Service had the essential front line skills?
820. **Mr Stewart:** No. If that is the way that you understood my response, it is not accurate. We as an organisation and department did our best to assist in succession planning. I am saying that the scale of change was so great that it was not possible to fill the post of everyone who left with an experienced person. It also has to be recognised that demands on the organisation changed. In 2005 and 2006, we were very much looking forward to a civilianised police force, if I can use that terminology. That was a particular vision of Patten. Circumstances then changed when we had the upturn in dissident terrorist activity. That meant that we had to change our focus, as different demands were placed on the organisation. At the time that Patten was created, could we have envisaged the Historical Enquiries Team (HET)? No. Could we have envisaged legacy inquests? No. Could we have envisaged that we would not be as far on with community-style policing as we had hoped? No, we could not have envisaged that.
821. **Mr Mitchel McLaughlin:** Other colleagues have questions. I just wanted to come in on that issue, but I will revisit it when my turn comes.
822. **Mr Girvan:** I want to come back on a point that was raised in one of the questions. Great emphasis is being placed on the Equality Commission and its views of the policy. What area were you asking the Equality Commission to look at? Was it the appointment of disabled people or was it just religious breakdown?
823. **Mr McKay:** The question was asked to see whether the policy was equality screened. An important point that the Deputy Chief Constable made at the previous meeting in response to Mitchel was the acknowledgement that the equality impact ought to have been spotted earlier, but it was not. She said that the service should have spotted it earlier but did not. So, I flagged that up as a fault.
824. **Mr Girvan:** I take that to be somewhat tongue in cheek, considering the make-up of the Equality Commission: 72% and 38%. There is a major imbalance in it, with 72% from one section of the community and 38% from one other. I just wanted clarification on that.
825. **Mr Anderson:** I have just a small supplementary question. Mr Stewart, you talked about the numbers in HR and the change that had to take place. How would you describe the pressures that your department and HR were under at that time? Did you find that it was basically a numbers game and that you were coming under severe pressure from various sections and politicians to implement Patten as quickly as possible?
826. **Mr Stewart:** I think that members have had sight of some of the extensive correspondence that transferred between us and the Policing Board. To be fair to the Policing Board, it took its job of overseeing us very seriously, as did the Oversight Commissioner, Her Majesty's Inspectorate of Constabulary, and the Policing Board's own independent observer of the implementation of Patten.
827. As far as the human resources element is concerned, I know that people have talked in this case — mistakenly, in my view — about the revolving door. However, there certainly was a revolving door in the HR department, because no sooner had we one group of inspectors leaving than we found another group arriving and going over



- the same ground. I have said that the Oversight Commissioner that was recommended under Patten took the 172 recommendations that Patten made about changes to policing and developed over 700 performance indicators. I think that 430 of them fell to my department and the training department to implement. I think that we implemented successfully around 400 of those 430, which is an indication of the scale of the pressure that we were under. Furthermore, we were involved and embroiled in the whole complex issue of voluntary and compulsory severance. We were caught in a political maelstrom to a certain extent because certain members, particularly on your side of the House, were not terribly happy with 50:50 recruitment. Other parts of the political sphere were wondering how quickly we would get to 30%. Most of the Policing Board's reports were, quite rightly, on our progress towards 30% Catholic representation. So there really was an awful lot going on.
828. **Mr Anderson:** At the same time, you had to ensure that security was paramount and that lives and property were protected at all times. You were obviously under a lot of pressure. Would you say that?
829. **Mr Stewart:** That fell to my operational colleagues.
830. **Mr Anderson:** It involved the entire force at that time.
831. **The Chairperson:** Mr Cox, do you want to come in?
832. **Mr Cox:** Thank you, Chair. I think that it is important to try to answer that question by giving you some statistics, with apologies for trying to blind you with numbers. During that time — I think that the deputy chief constable mentioned this at the previous meeting — we made over 72,000 individual moves: appointments, cessations, transfers and promotions. There were 8,500 people left between April 2001 and March 2012, so it goes into last year and beyond the Patten period. We made over 1,800 promotions and recruited over 4,500 new officers.
833. The staff element has largely been missed in this, but it is significant. We made 13,000 moves of various types. We lost nearly 2,500 people either through turnover or because they went back to the Civil Service. We recruited 1,500 people and made over 1,300 promotions. So we had a significant volume of work going on. We ran over 400 competitions. Joe talked about inspectors. For a moment, I thought that he meant police inspectors as opposed to overseers. We ran over 400 competitions, for which we had to process over 13,000 applicants. So that was a huge operation. Any questions about succession planning need to be seen in the context of that scale of operation.
834. **Mr Anderson:** Michael, do not worry about giving us more statistics. We are well loaded with them. Thank you.
835. **Mr McQuillan:** I think that Mr Dallat has let the cat out of the bag. The crux of this is that he sees Mr Stewart as the remaining link between the RUC and the PSNI. That is what this witch-hunt is all about. Is today's meeting the Committee's second bite of the cherry because Mr Dallat feels that way? That is, I think, why we are here today and this is what it is all about. I want to put that on record, Madam Chair.
836. **Mr Dallat:** Chairperson, I will not reduce this Public Accounts Committee to the level of barracking across the table with Adrian McQuillan. I think that Mr Stewart knows the point that I was making about the connection between the RUC and the PSNI. It was not in any way politically motivated.
837. **The Chairperson:** Point taken.
838. **Mr McQuillan:** I would like to accept that, but I cannot.
839. **The Chairperson:** Mr Kennedy, you are very welcome. I would like to direct my question at you. You have been chief executive since 2009. Will you explain how you understand Grafton's

- responsibility in supporting the PSNI's public duty to recruit from right across the community?
840. **Mr Jason Kennedy (Grafton Employment Group):** Of course. First and foremost, it is to differentiate the temporary employees that Grafton recommends to the PSNI. The Grafton organisation reports directly to the Equality Commission every year on the community background and breakdown of all our temporary employees. We are not obliged under the current contract to provide the split of temporary workers in the PSNI. We are, however, obliged to report that information on permanent placements, which we undertake for the PSNI and on which we report every month, in fact, after any permanent recruitment activity. The contract does not specify temporary workers.
841. **The Chairperson:** How often do you report on that?
842. **Mr Kennedy:** We report to the Equality Commission every year. On the back of every permanent campaign for the Police Service, of which there has been very few in recent times, we report directly to the Police Service on the community background of anybody recommended for hire.
843. **The Chairperson:** Mr Baggott, I understand that the injury-on-duty information that the Committee has been seeking since 19 October is still not available. When will the Committee receive that information? Why is it not available?
844. **Chief Constable Baggott:** I will refer that to Michael. Thank you.
845. **Mr Cox:** Sorry, Chair, is this about the ill-health retirement information?
846. **The Chairperson:** Yes, the injury-on-duty information.
847. **Mr Cox:** My understanding is that the request was to be answered initially by the Policing Board and that, after two or three weeks, it found that it did not have the information. We provided, as best we could, the information analysed against the database provided to the Audit Office. That was then supplemented by the information from the pensions branch and the people who paid it. The information has gone back to the Policing Board, which is the body that decides on these retrospective pension payments. I do not know when the Policing Board will be able to provide the information, but we have helped as much as we can.
848. **The Chairperson:** You are satisfied that it is the Policing Board that has to —
849. **Chief Constable Baggott:** The Policing Board runs the injury-on-duty process information. However, I am very happy to go back to the chief executive to try to find you a date by which you will have that information.
850. **The Chairperson:** Thank you.
851. **Mr McKay:** My question is for Jason from Grafton. What is a strategic resource adviser in Grafton?
852. **Mr J Kennedy:** A strategic resource adviser?
853. **Mr McKay:** Yes.
854. **Mr J Kennedy:** I am afraid that I cannot define the job specification for a strategic resource adviser, Mr McKay, but I am happy to check with my operational colleagues.
855. **Mr McKay:** Do you have no idea what it is?
856. **Mr J Kennedy:** A strategic resource adviser? I could only make an assumption, and I am afraid of making assumptions. However, I would imagine that it is what we would otherwise call a recruitment consultant. I am happy to check that with my operational colleagues and report back.
857. **Mr McKay:** Is that a senior position locally in Grafton?
858. **Mr J Kennedy:** Again, I am making an assumption on the basis of a job specification that I am not familiar with. However, to me, it sounds more senior than a standard recruitment consultant.

859. **Mr McKay:** Are any former senior police officers now employed by Grafton?
860. **Mr J Kennedy:** Yes, sir. Today, in the organisation, we have two ex-police officers, one of whom works as part of a much larger and extensive team supporting the PSNI requirements. The other has no involvement whatsoever in the PSNI requirements.
861. **Mr McKay:** Is one of them a strategic resource adviser?
862. **Mr J Kennedy:** Perhaps. I am familiar with the individuals; I am not familiar with their titles.
863. **Mr McKay:** Michael Skuce?
864. **Mr J Kennedy:** Correct.
865. **Mr McKay:** So he has no involvement in any PSNI —
866. **Mr J Kennedy:** Mr Skuce has involvement with the PSNI account. He works in the PSNI support team in Grafton.
867. **Mr McKay:** When did he leave the PSNI?
868. **Mr J Kennedy:** I am not certain when he left the PSNI. However, I am of the view, subject to checking, that after he left the PSNI, he had other private employment before he joined the Grafton organisation.
869. **Mr McKay:** Would he have been involved in any way with information that would have been of use to Grafton before he came to Grafton and took up a position relating to the PSNI aspect of Grafton's work?
870. **Mr J Kennedy:** No more so than anybody else in the organisation who has industry experience. I do not want to lose the Committee, but, in the organisation, we have engineers working in our engineering division; IT programmers working in our IT division; and multilinguists working in our multilingual division. So he is involved no more so than anybody else who has industry experience.
871. **Mr McKay:** I would like one final clarification. I know that when civil servants leave the Civil Service, they have to seek government clearance to take up a private post within two years. Was that done here?
872. **Mr J Kennedy:** I cannot comment because I do not know.
873. **Mr McKay:** Will you confirm that for us?
874. **Mr J Kennedy:** I am happy to do that.
875. **Mr Dallat:** I will remain on the point that Daithí raised. Clearly, you would anticipate possible perceptions of conflict of interest, and so on. What measures did you take to ensure that former police officers working in your organisation — at quite a senior level, I believe — were not subject to any suspicion that their previous associations could be used in the appointment of temporary staff, who just so happened to be police officers?
876. **Mr J Kennedy:** I have two comments in response to your question. I have given a commitment to Mr McKay that we will come back on the actual title and the job specification that sits therein. Mr Skuce does not sit on the senior management team in the Grafton organisation. Ergo, and by definition, he is not as senior as is perhaps perceived. However, let the job specification detail that. As for background checks and any potential conflicts of interest, the Grafton contract of employment with Mr Skuce is very clear on the declaration of any conflict of interest.
877. **Mr Dallat:** So you do not feel that you are prone to any kind of suspicion about the contract itself being in some way advantaged by the fact that you had senior members of your staff who were former police officers.
878. **Mr J Kennedy:** I do not believe so. It no more represents a conflict of interest than any specialist skill set that I have in any other division of the organisation. Mr Skuce would have gone through the same selection procedure as anybody else hired by the Grafton organisation.
879. **Mr Girvan:** Names have been mentioned here, and people working in the private sector have been identified. By going

- down this route of questioning, are certain members trying to identify impropriety in how certain people were appointed? We are dealing with a report on the PSNI, not a report on Grafton, which is a private company that was appointed to deal with the contract. If there is going to be a witch-hunt on the basis of where ex-RUC officers are employed, we are treading on very thin ice. We have to be very careful that we deal with the report and not start to go through the employment procedures of private companies, which are open for us to inspect them should we wish to do so. That is not what we are here to discuss today. Should we wish to look at how the contract is funded by the public purse at another stage, we could do so. What is happening needs to be marked, and I want that line of questioning to stop.
880. **Mr Anderson:** I am concerned about where we are going. Members have said, “This is not a witch-hunt”, but every line of questioning appears to drift away from the report. I back my colleague on this one. We know the questions that we have to ask, but going down this line is veering away from what the whole investigation and evidence session are about. The longer this goes on, the more we will have difficulties. This session has not been what I understood it would be, and I expressed fears last week that we could go down a route that is not what the report is about. I want to put that on record.
881. **Mr McQuillan:** Chair, you have to take control of the situation as well. If that is the line of questioning, call the member responsible to order and get back to the report.
882. **Mr McKay:** Chair, you should also protect the freedom of members to ask pertinent questions of the representatives from Grafton or the PSNI.
883. **The Chairperson:** We have a representative from Grafton here, and there is an opportunity to question him today. The ethos and the principle of today’s —
884. **Mr Dallat:** Chairperson, for the general public, maybe you could point out that Grafton is mentioned throughout the report and that there is an acknowledgement that former police officers work for Grafton.
885. **Mr Girvan:** Names are not mentioned.
886. **Mr Dallat:** It is not fair that I am being accused of doing anything other than my job, which is to scrutinise the Audit Office report. That is what I am doing.
887. **The Chairperson:** I go back to my point that Grafton is named in the Audit Office report. The principle and ethos of today’s meeting is to extract information from the witnesses that is relevant to the Audit Office report, which we can use when making our recommendations. That is the basis on which the Deputy Chairperson asked the question. So, Mr Girvan, I do not think that there is any undue witch-hunt or anything like that going on —
888. **Mr Girvan:** Identifying individuals’ names is creating an issue. The generality of a position was mentioned in the report, but no name was attributed to it, and then the name came out.
889. **Mr Dallat:** I do not know the names of any of the people.
890. **Mr Girvan:** The name was mentioned in this Chamber just minutes ago.
891. **The Chairperson:** I remind people in the Public Gallery that they are not to interact with members.
892. **Mr Girvan:** My question is about the awarding of the contract to Grafton. I appreciate that, from the body of the report, we identified that there were some £25 million of savings, but the issue is how the £44 million contract to Grafton was awarded in 2004. At that stage, I appreciate that there was no competition for that. I would like some clarification. I understand that, under procurement guidelines, most contracts, especially those of that value, are open to public tender. Will you explain why that did not happen?

893. **Mr Stewart:** A number of points arise from that. The Chief Constable and the Deputy Chief Constable covered these points extensively when they were last before the Committee. The first point is that the value of the contract, as far as we are concerned, is more in the line of £4 million, not the £44 million ascribed to it in the Audit Office report.
894. In 2004, the Police Service asked the Northern Ireland Office procurement unit, which is our adviser, on at least three occasions whether the contract needed to be tendered in view of the fact that we were not able to pursue the recruitment of permanent people to the extent that we wished to and needed temporary workers. On the third occasion, we were told that the contract was essentially for the same type of work, that it was still recruitment and that the contract could be varied. Had the advice from the procurement unit been that we must tender the contract, we would have tendered the contract. However, that was not the advice that we received at the time.
895. **Mr Girvan:** I appreciate that there was a later variation — an uplift — to the contract. However, did the PSNI seek clarification on whether it required any other information from the procurement unit?
896. **Mr Stewart:** That is what I am trying to say. In 2004, we asked the procurement unit three times what we should do. On the 2004 variation, which is what we are talking about, the advice that came back on the third occasion was that it was permissible to vary the contract because it was essentially for the delivery of the same type of services. That is why we went down that route.
897. **Mr Girvan:** In my first comment, I mentioned £44 million being the upper value of the contract. You mentioned £4 million. Is that £4 million the portion that Grafton received for its management of the contract?
898. **Mr Stewart:** Yes, those were the fees.
899. **Mr Girvan:** Do you believe that the total value of the contract was not £44 million?
900. **Mr Stewart:** The fact that there is a difference of opinion on this matter between the Police Service as a whole and the Audit Office was documented in the Chief Constable's letter to the Comptroller and Auditor General, in which he made it clear, as I recall, that we did not accept that the value of the contract was the total value including salaries. Had it been a contract for permanent employees, we would simply have been paying the fees to the agent and the wages directly to the individual. As the contract was for temporary employment, the wages were routed to the individuals via the agent.
901. **Mr Girvan:** My understanding is that even if you count only the part paid to Grafton, there was still a variation of the contract in excess of 50%. I appreciate that I am labouring the point, but I just want to be clear. According to what you just said, you sought clarification on the process from the procurement unit three times, and it told you to extend the contract.
902. **Mr Stewart:** You raised the issue of the 50%.
903. **Mr Girvan:** It is in paragraph 2.7.
904. **Mr Stewart:** That advice on the 50% variation was not available to us in 2004. It came to us about one and a half years later in the context of an entirely different discussion and in response to questions raised by the Policing Board. In 2004, therefore, when the variation was made, there was no advice about the 50% uplift in the contract. The advice was simply that it was permissible to vary the contract because it was essentially about the same element of recruitment.
905. **Mr Girvan:** Paragraph 2.9 refers to your statement that the salaries paid to temporary workers were not relevant to the value of the contract. Why did the PSNI not consider salaries to be part of the contract?

906. **Mr Stewart:** Again, had that been relevant, we would have expected the procurement unit to have drawn it to our attention. The procurement unit's advice was that it was the same type of recruitment issue from a procurement point of view, regardless of whether the recruitment was temporary or permanent. There was no advice to include the value of all salaries in the contract. In any event, it would have been very difficult to prevent, because, frankly, we had no expectation in 2004 that the level of temporary workers would have reached the level that it did in 2007.
907. **Mr David Best (Police Service of Northern Ireland):** Central Procurement Directorate (CPD) advice is very clear:
- "From the outset, there was no value attached to the advertisement for civilian recruitment. The contract value figure was exclusive of salaries."*
908. I speak from a finance perspective. When this business case was prepared way back in 2004, we were not aware that salaries were required for business cases. We accept that salaries were not included; there is no dispute with anyone about that. The fact is that that was not the practice, as we knew it, at the time.
909. I read the Hansard report from the meeting of a couple of weeks ago, and the Department accepted that it reviewed the business case and approved it, and it accepted that the practice was not followed at that stage. From my understanding, there is no specific guidance, even now, to indicate very clearly that salaries should be included. If the practice now, in 2012, is that salaries should be included, we will happily comply with that. In fact, salaries have been included in the recent business case. We are happy to do that, but we have a slight concern that a practice adopted in 2012 is retrospectively being applied to 2004, when that was not the practice. That is a fundamental issue. We have never accepted the figure of £44 million that has been quoted. We have been very clear with the Audit Office that the true figure is £4 million.
910. **Mr Girvan:** That is not the figure that the media portrayed. The point is that there have been changes in the rules, and there are new guidelines. In light of those new guidelines, staff training must be updated. Has the organisation engaged in updating members and staff on how they interpret these rules?
911. **Mr Best:** The funding regime has changed from the time that we reported directly to Westminster, which was pre-April 2010. The procedures and practices that we were expected to follow were not as rigorous, and we readily accept that. As we moved under the Department of Finance and Personnel (DFP), we have found that the business case process, in particular, is much more complex. As the director of finance, I would say that there are very good principles in there, and we are very happy to comply with those. We have had to put more effort into this. About 18 months ago, we brought an economist from DFP into the PSNI, which has been very helpful, and additional training has been run by DFP. A large number of staff, not only in the financial side of the business but those responsible for running contracts and preparing business cases, have attended those courses. In addition, heads of business services, who are responsible at a local level, have been given specific guidance and asked to look at this in detail. These are qualified accountants whom we have brought into the organisation. We accept that, pre-devolution, we were not up to the normal business case standards, but we believe that we have made very considerable progress.
912. The Committee can also be assured that we have welcomed what are called "drill down" audits carried out by the Department of Justice and reviewed by DFP. They ask to see our business cases and evaluate whether they are up to standard. You may see those reports from the past year or so, if you would like to. We think that they are positive. Some issues emerged, and

- we are learning from those, but we believe that, overall, it is positive. From where we were a number of years ago, we have invested a lot, and we believe that we are now well placed to meet the requirements that operate in devolution.
913. **Mr Girvan:** Compared with other public sector areas, what proportion of the current staff is agency staff?
914. **Mr Stewart:** The figures are in the report. The proportion was never, in any year, at the level of the rest of the public sector. I think that our highest was 6·8%, whereas the public sector average, according to the report and the Northern Ireland Audit Office's findings is 7%. The graphs in the report show a significant reduction from 2007 to 2009, when there is a sharp drop in numbers. Of our current staffing total, the proportion who are temporary is running at about 3·5% or 4%.
915. **Mr Girvan:** Do you accept that, were this contract to be awarded under the current guidelines, the overall figures would be considered in calculating its value?
916. **Mr Best:** Yes, and I confirm that, a number of months ago, HR took the lead on it. We in finance review all business cases as a corporate control at the centre. The business case submitted for the next three- to four-year period was prepared on that basis, and we are happy to comply with that.
917. **Chief Constable Baggott:** An issue that may be relevant is that I think that the degree of scrutiny and compliance is significantly better here at present than anywhere else where I have served. I am reassured that when the guidance was updated in March of this year, immediate and significant steps were taken to ensure full compliance, and you have my assurance that there will be full compliance. My concern is that, to some degree, I now have another conundrum, in the sense that there is an over-scrutiny of business cases through the procurement process. In a policing world that is about managing public safety and risk, if you are not careful, you become so slow that the public are put at risk. So there is a balance between regulation and process and the ability to be dynamic in managing risk. We are working on a number of examples in which the purchase of equipment and other issues — not just staff-related — have been quite problematic because of the time taken in acquisition. However, we are working on that with DFR. This is a new and significantly different world since devolution. It is one that we embrace and acknowledge, and things are very different from 10 years ago.
918. **The Chairperson:** Thank you, Mr Baggott. Did you want to come in, Mr McLaughlin?
919. **Mr Mitchel McLaughlin:** My point has been picked up.
920. **Mr McKay:** I want to follow up on a couple of Paul's points. What percentage of the PSNI staff complement, as opposed to officers, are temporary or agency workers?
921. **Mr Stewart:** Currently, about 7% or 8%. However, I do not think that you can really look at staff alone, because there has been such interchangeability between police officers and staff that we have to look at the organisation as a whole. I am not aware of any other public organisation that, when calculating its averages, subdivides its staff into groups.
922. **Mr McKay:** What was the highest percentage in the past 10 years?
923. **Mr Stewart:** I think that the report states that it was 29% if you look at police staff alone.
924. **Mr McKay:** It is a quite significant number.
925. **Mr Stewart:** Only if you disregard everybody else in the organisation. We are an organisation of 10,000 people and calculate the averages across that figure. I am sure that that is exactly what other public sector employers, whether in health or education, also do.
926. **Mr McKay:** Do you accept that officers and staff are two distinct categories?

927. **Mr Stewart:** Officers and staff are two distinct categories in the PSNI in the same way as nurses and surgeons are in the health service. However, they are all engaged by the service and many of the jobs that have been undertaken were previously performed by police officers.
928. **Mr McKay:** The Policing Board raised several concerns about the failure to go to tender in 2004, and we have seen that correspondence going back to 2002. Fred Cobain, who was the chair of the audit and best value committee, which is one of the most powerful committees in the Policing Board, raised concern at the time about the contract awarded to Grafton recruitment and whether proper government procurement procedures had been followed during its letting. He proposed that that be directed to internal audit services. However, that was blocked by the PSNI. Why?
929. **Mr Stewart:** We do not accept that there was any failure to tender. My answers to the Committee earlier indicated that if we had been advised that it was appropriate to tender we would have done so. However, we were not advised to do so: we were advised that varying the contract was perfectly acceptable. That correspondence was responded to in the way that it was because we had taken the advice of the procurement unit, which was our expert. We adhered to it solidly in 2004 in the way in which we dealt with that contract.
930. **Mr Best:** I have responsibilities for procurement corporately. I was not specifically involved in the detail of this case, but I have looked at it retrospectively. The NIO procurement unit stated that there was never a change in the scope of the original contract. If a contract variation had not been awarded to Grafton, it would have had cause to challenge that decision as it was the PSNI's contractual civilian recruitment supplier. That is a very clear direction to the PSNI. The organisation was outside the PSNI but was part of central government. That is very strong. It also states that, in 2004, the variation in the contract was within the scope of the existing contract. That is very clear wording for us. The PSNI complied with public sector procurement guidance. The experts said that; not us. That best value was obtained at the time. The original rate was 19.6% for the fee.
931. **Mr Stewart:** That is commercially sensitive information
932. **Mr Best:** I am sorry. The rate went down considerably, and the NIO said that value for money was achieved.
933. **Mr McKay:** Was that a trend in other major PSNI contracts at the time? Would a number of contracts have been varied, or would the majority have gone to tender?
934. **Mr Best:** Overall, the PSNI has 256 contracts, valued in excess of £660 million. I am responsible for 196 of them, valued at about £440 million. We have variations in contracts. They come up through the approval system. There are variations, and quite a few of them with that scale of contracts.
935. **Mr McKay:** Could we have an answer in writing about the period from 2002 to 2004 that will give us an oversight of what the trends were at that time?
936. **Mr Stewart:** Yes.
937. **Mr Rogers:** Paragraph 2.12 in the report tells us that a recruitment manager with delegated authority to approve spending of £100,000 was able to authorise a contract variation that increased spending by £4.6 million. That does not seem to be sound financial control. What are your views on that?
938. **Mr Stewart:** I am delighted to have the opportunity to give some clarity on this. Both of my colleagues will be happy to support me in this regard. It is important to say that £4.6 million relates to fees and salaries. Our position on fees and salaries was made very clear to the Committee and to the Audit Office. The report says that a variation of this scale should have been approved by the Deputy Chief Constable. That is not correct. Such approvals would have



- been at the level of grade 7, the level above that of the officer who signed the contract. The officer who signed the contract worked under the direct supervision of my colleague Mr Cox and had his authority to complete that contract at the time. I think that Mr Best has the full details of the approval levels.
939. **Mr Cox:** Chair, I will supplement that. The suggestion in the report that this was some sort of unilateral action needs to be refuted absolutely. The decision was taken by me. The recruitment manager was the person who just happened to sign the variation, but did so on my authority. As Joe said, I had the authority at the time. Authority for financial delegations was open-ended, not that I would have ever exercised it to that degree, obviously. After consultation with the procurement people and negotiations with Grafton to reduce the charge-out rate, as mentioned earlier, it was signed off. I repeat: this was not unilateral action; it was a measured action as part of an overall process.
940. **Mr Rogers:** Are you, then, questioning the accuracy of paragraph 2.12?
941. **Mr Cox:** It does not reflect the financial delegations at the time.
942. **Mr Best:** Chairperson, would you like me to clarify this from a financial position? What Michael Cox and Joe Stewart are saying is correct. At that stage, a grade 7 in the Civil Service had that authority. Michael operates at a much higher level, and he gave the OK, although that was not formally written down on a bit of paper at the time. You may say that that is a high figure for someone with that authority, but that was the system that operated at the time. A couple of years later — remember we are going back eight years — it was tightened up. Anything above £3 million now goes to the Deputy Chief Constable, and anything between £1 million and £3 million now goes to the chief officer. So, a couple of years later, the situation changed, and it was tightened up. However, that was the process of delegation operating at the time, and everyone was aware of it.
943. **Mr Rogers:** Does it not set off alarm bells when somebody who normally has delegated authority for £100,000 is responsible for £4.6 million? OK, there was some of sort of verbal arrangement, but do you not think that it should have been written down?
944. **Mr Best:** It is readily accepted that it should not have happened. It was a relatively serious matter, but we got an assurance that authority was given.
945. I also point out that we have a very strict audit regime. It was our internal auditors who picked this up shortly after it happened. When that sort of failure to comply is picked up, we notify all concerned. From an audit perspective, we have had 16 internal audits of procurement between 2003 and today. I would be very happy to share the results of those with the Committee. This area has been audited. I am told that it has been audited to death, but I do not think that that is true. I think that we need to audit it. In my role, I have responsibility for internal audit, and I have always pushed auditing procurement, because I see it as a high-risk area.
946. So, it has been audited by our auditors and the Northern Ireland Audit Office, particularly over the past number of years. We accept the failure. It was picked up by our auditors and was notified across our department. There are such failures from time to time, but they are generally picked up. We learn the lessons, and we seek to learn the lessons.
947. **Mr Rogers:** When did the £3 million ceiling come in, so that anything above that had to go the Deputy Chief Constable?
948. **Mr Best:** The revised delegations came in 2006, which is over six years ago. Again, I just want to confirm that anything above £3 million goes to the Deputy Chief Constable; anything between £1 million and £3 million goes to the chief officer; anything up to £1 million goes to a grade 7; and anything up to £100,000 goes to a DP or superintendent.

949. **Mr Dallat:** Based on the remarks made by Mr Cox, am I right in assuming that this report has been signed off, agreed and accepted and is not in dispute?
950. **Chief Constable Baggott:** We have accepted the report, but we have always disagreed with some parts of it; for example, the inclusion of salary costs as part of the contract value. That has always been a matter of disagreement. Likewise, there are some facts — for example, those about the number of police posts filled by temporary workers — that we would have liked to have seen more explicitly expressed. However, I do not want to get into a dispute about the report, because there are matters of disagreement about some of the context. We accepted the report, but the structure was very clear in that there was an end to the process in respect of questioning some of the factual accuracy. That is the point we reached.
951. **Mr Dallat:** I am quite happy to accept the report, as long as we are not involved in an exercise of revisionism.
952. **Mr Mitchel McLaughlin:** There was also an issue in relation to demonstrating value for money in the use of agency staff. The Audit Office indicated that figures supplied by you demonstrated that you could not show that there was value for money. The comparators should have been like for like, that is, civilian jobs for civilian jobs.
953. In relation to setting aside the salary costs in respect of the contract with Grafton, clearly, there were costs involved in using a recruitment agency because they operate for profit. However, in respect of the salaries, there was an argument that agency staff were a cost-effective option. What salaries were you comparing? Was it the salaries of civilian staff or police officers? In the business case that you used to justify it, you seemed to be able to access the relevant information and deploy it in those circumstances.
954. **Mr Stewart:** My reading of the report is that the Audit Office accepted that whether you compared civilians or police officers, there were significant savings involved in salary costs. The figures quoted are £22 million, but it is likely to be in the region of £25 million in circumstances where some of those temporary workers would replace people who would otherwise have drawn police salaries. My reading of that part of the report is quite clear.
955. **Mr Mitchel McLaughlin:** Mr Stewart, I know that you are trying to help us with it, but Patten was very clear about the need to identify the maximum amount of civilianisation that would have allowed you to concentrate on the cohort who were delivering the full range of policing functions, skills and support, which was in-house or was contracted in to allow that to happen. However, the cost of that civilianised function should have been on a consistent comparator, which is what would it cost you to employ civilians to do that, not replacing trained police officers who we would expect to be on the front line.
956. **Mr Stewart:** First, Chris Patten's view of civilianisation at that time was much more radical than anything that we have done, such as outsourcing all personnel, human resources, finance and other services.
957. **Mr Mitchel McLaughlin:** Patten's view was more radical or your approach was more radical?
958. **Mr Stewart:** I think that Chris Patten's view and the view of his colleagues was more radical than the route that we have followed because we have not outsourced a lot of things such as finance, human resources and pensions. As members will know, he suggested that they should be outsourced to ex-civilian members or ex-police officers.
959. The report states that the conclusion is reached that we saved the public purse £22 million by using temporary workers. That £22 million relates to civilian comparison. If you look at the engagement of temporary workers to replace police officers who are paid add-on costs, that figure escalates to £25 million. I think that is what is in the

- report. Certainly, that is my reading of the report.
960. **Mr Kieran Donnelly (Comptroller and Auditor General):** Those are not my figures. I want to put it on the record that these are the PSNI's own estimates and that I have not validated them.
961. **Mr Mitchel McLaughlin:** I am not going to labour this point because I am aware that colleagues already have the floor, but are we dancing on the head of a pin in relation to that the way that we used to do this back in 2002 or 2004 is different from what happens now? We have to have whole costs factored into business cases, but we are having a statement of fact, which is inserted into the report that this was a value for money exercise.
962. **Mr Stewart:** I do not believe that we are dancing on the head of a pin, and I do not understand why we are having any dispute about this because we can stand over the figures presented. As far as I was aware, they were accepted as being accurate by the Audit Office. I do not think that there is any difference between 2004 and 2002. All I am saying is that, in the overall approach by Patten to civilianisation, as the chief has said, nothing stands still, and things changed over time. Patten published in 1999, and we are now in 2012. If he were writing it today, his emphasis might be different.
963. **Mr Best:** I refer you to paragraph 5 and paragraph 2.11 of the NIAO report. The Audit Office concluded that value for money was achieved through the use of temporary staff and that that is clear. That was the overall conclusion. I acknowledge that the figures on the £22 million were prepared by us and are open to audit. We looked at the number of staff that we brought in and what it would cost if we employed them ourselves. It was quite a detailed exercise. We looked at what the same posts would cost Grafton, averaged it out and came up with that figure for the Audit Office. It is open. We did not get into the detail of the number of police posts because we had to get that information out, but it would be higher than £22 million.
964. **Mr Mitchel McLaughlin:** I cannot speak for all the Committee members, but I am not aware of anyone who would dispute that there were benefits in using agency staff, particularly given the change management in which you were involved. That is my position, and I recognise that there is a role for it. The issue is with the system used in this case and the revolving door, as it has been referred to. There may be some examples of that that might raise serious questions about value for money and the efficacy of that approach. I am happy to leave it for now.
965. **The Chairperson:** Mr Stewart, the invitation to tender's specification of requirements required the agent to handle, issue, receive and analyse equal opportunities data and provide it to the police for fair employment monitoring. Why did that requirement not make it into the contract?
966. **Mr Stewart:** If I understand it properly, this is about permanent employees, not temporary workers. One of the Patten recommendations is that an independent agent carries out selection recruitment for the Police Service of Northern Ireland. The agent acts on our behalf in engaging permanent employees. Under the equality laws, the responsibility for permanent employees rests with us and not with the agent. If the agent were handling the recruitment selection, and so on, of permanent employees, we had to know the religious composition of all those who applied and all those who were appointed for our records so that we could comply with the law.
967. **Mr Anderson:** Gentlemen, can I ask about the Central Procurement Directorate and paragraph 2.18. CPD raised concerns about the value of the contract variation for the HET staff in 2009. Was CPD's advice ignored on that occasion?
968. **Mr Stewart:** My colleagues will assist me in this, but I cannot accept that CPD's advice was ignored. Elsewhere

- in the report, it says that, where it is ignored and not followed, there needs to be a reason for that. In this case, the organisation was faced with a difficult operational situation and quite a difficult community confidence situation. The Historical Enquiries Team had been implemented to look at historical cases and had been engaged under a Thames Valley contract that was about to expire and with no intention to renew it. We were faced with either letting HET collapse while we bid for a tender, or taking into account the procurement unit's advice, the possible community impact of allowing HET to collapse, and our legal advice, which said that the matter could properly be awarded to Grafton and, indeed, that Grafton might have cause for complaint if it were not awarded the contract. We went down that route. It was a balanced judgement at that time and was fully minuted as a decision.
969. **Mr Best:** We have very regular meetings with all our main contracts. These involve CPD; Joe Stewart, the head of HR; and our head of procurement. Joe Stewart has had 30 meetings with CPD specifically about contracts. From what I can see, he always listens to what is said. Those minutes are prepared by CPD, and, previously, by the NIO procurement unit.
970. Around that time, there were meetings on 18 March 2009, 20 March 2009 and 30 June 2009. The early discussion focused on the concerns that CPD provided. When the options were looked at and everything was taken into consideration, including the legal advice, the position changed.
971. CPD, in its correspondence, said that, with regard to the contract, which included the HET, the PSNI complied with public sector procurement guidance. Variations were put in place that gave rise to efficiency, and value for money was obtained. That is the wording of CPD at the end of the discussion. The NIAO report highlighted the concerns but did not address the process that took place subsequently. That is a matter of record.
972. **Mr Anderson:** It is interesting that we are now getting this information about CPD. It is welcome news. It appears that CPD was saying that advice was ignored, but we are hearing today that it was not ignored and that a lot of legal advice was taken on board. You are saying today that you believe that CPD was fully brought on board in this case, knew exactly what was happening, and knew what the savings were. I take it that there were savings in the extension of the contract. Are you saying that advice was not ignored?
973. **Mr Stewart:** Clearly, there were savings; they are referred to in the report. It was about £120,000.
974. If you refer to paragraph 2.15, you will see that, in that period, the fees for temporary workers and a business case were approved at a level of £5.4 million. As I understand it, even including the variation and the HET work, that sum was not exceeded. In fact, as it turned out, the fees were less than £5.4 million. What is represented here is the original CPD position, as I understand it. Further discussions took place, and the organisational part was understood and accepted by CPD. It also had the benefit of the savings and the commission that would otherwise have been paid to Thames Valley.
975. **Mr Cox:** To supplement that, CPD, at every stage, was represented in the discussions. It was not an exercise in ignoring its advice. It was part of the process, which culminated in what David described a moment ago.
976. **Mr Anderson:** What rate was being paid to Grafton? Was it more or less than that of the public sector?
977. **Mr Stewart:** My colleague Mr Cox referred to that earlier in respect of the 2004 variation. The work he did at the time obtained a reduction in the fees paid to Grafton beyond that which was prevalent in the public sector at that time.
978. **Mr Anderson:** So, it represented best value? Is that what you are telling us?

979. **Mr Cox:** I would like to make a couple of points. The report says that we could not clearly demonstrate best value. There is an acceptance that there was some element of savings from the Audit Office. That is worth noting.
980. To give this a wider perspective, I think that, subsequently, the Northern Ireland Civil Service ran a procurement exercise for temporary workers. Grafton won it. I think it charged a higher rate than we were paying. Although it cannot be said absolutely, there are some very clear indications that there were cash savings to the police budget. That is a good thing.
981. **Mr Anderson:** There was also the possibility that HET could have collapsed if things had not gone forward in the manner in which you brought them forward.
982. Thank you for those responses. I want to ask Fiona a couple of questions about the concerns expressed — and for which we now have an explanation — about the potential increase in the value of the Grafton contract, and ensuring that the PSNI acted in accordance with procurement guidance. Were those concerns followed up?
983. **Ms Fiona Hamill (Treasury Officer of Accounts):** I apologise; I am not aware of the report from which Mr Best has been quoting, which suggests that CPD was in support of this contract. It is not in line with the briefing that I had from CPD. The briefing that I had takes the same position that I presented to the Committee before, which is that CPD had expressed concerns about the extension of the Grafton contract and that it had provided advice, but that, ultimately, it was for the business area. I cannot provide the Committee with any further advice at this stage.
984. **Mr Anderson:** It has been said that there were 30 meetings in relation to different issues. Do you have any information about those, Fiona?
985. **Ms Hamill:** I will try to provide clarification for the Committee as soon as possible, but I do not have anything with me today.
986. **The Chairperson:** It would be relevant, Mr Best, if you could share that report with the Committee for future reference.
987. **Mr Anderson:** It is very relevant, because what we are hearing today, when we consider this report in the round, is very specific information that we need to follow up on. I want to get to the bottom of it.
988. I have a couple of questions to ask. Fiona, how can you be sure that public bodies do what they are advised to do?
989. **Ms Hamill:** It is the responsibility of the accounting officer to ensure compliance. We would hope that non-compliance would be picked up, in the first instance, by the controls in an organisation, by an internal audit function or, perhaps, in oversight by external audit. As I said before to the Committee, it is one of the personal responsibilities of the accounting officer. It is not policed separately by us.
990. **Mr Anderson:** Do we know to whom it was communicated that compliance was not being adhered to in this case?
991. **Ms Hamill:** I can ask CPD, but because, at that stage, the formal handover from the NIO procurement unit to CPD took place it is not quite clear to me, looking at the files, exactly who the individuals involved were and whether they were NIO staff or CPD staff.
992. **Mr Anderson:** Quite honestly, we are teasing out today that there are gaps to be filled. From what we have heard today we do not really know who knew what and at what particular time. That needs to be clarified and further information needs to be brought back, in light of what we have been told by the panel today.
993. **The Chairperson:** Mr Best, are you happy to forward that clarification to the Committee?
994. **Mr Best:** Yes. We will pick that up.
995. **Mr McKay:** I just wanted to pick up on the question that you asked before Sydney asked his questions. Are you saying that the tender specification and the requirement for the inclusion

- of information on fair employment for employment monitoring purposes were not included in the tender for temporary staff?
996. **Mr Stewart:** It could not have been, Daithí, because that would have been in breach of the Equality Commission's guidance and the rules, as far as I understand them. That information is disclosable only by the agent to the commission. I think that the Deputy Chief Constable made that point quite extensively at the hearing last time around.
997. **Mr McKay:** That does not make sense to me, because we have a copy of the invitation to tender for the recruitment of temporary staffing services from 2004. It says:
- "We will require the agent to handle the issuing and receiving of all equal opportunity monitoring forms. Analysis of equal opportunity data will also be the responsibility of the agent. PSNI Equality and Diversity Unit must be provided with all relevant information for Fair Employment monitoring purposes."*
998. **That contradicts what you are saying.**
999. **Mr Cox:** At its most simple level, we are saying that the recruitment function was outsourced. Grafton ran the competitions for staff recruitment, ran the advertising, gathered in the application forms and consolidated the information that was included in the monitoring forms that went out with the application forms so that we could include that detail in our annual returns to the Equality Commission. That is what that is all about.
1000. We got all sorts of information from the —
1001. **Mr McKay:** Do you have that information?
1002. **Mr Cox:** For what? For the permanent recruitment?
1003. **Mr McKay:** The information on community backgrounds.
1004. **Mr Cox:** For permanent recruitment?
1005. **Mr McKay:** This is temporary recruitment.
1006. **Mr Cox:** No; we only have it for permanent recruitment.
1007. **Mr McKay:** Why is it in the invitation to tender for temporary staff?
1008. **Mr Cox:** I do not think that it is.
1009. **Mr McKay:** It is in front of us.
1010. **Mr Cox:** We will have to check that because it would be at variance with what the deputy reported previously and with what Jason said this afternoon about returns to the Equality Commission. It was confused when the chief executive of the Policing Board made some reference to this at the previous meeting. That has never been our understanding, and we will check it.
1011. **Mr McKay:** There must be some misunderstanding somewhere, because the PSNI provided us with this document, which clearly refers to temporary staff and services and an invitation to tender. I have just read out what is included in that document, so there is confusion somewhere.
1012. **Mr Cox:** Could you read it again, please?
1013. **Mr McKay:** It states:
- "We will require the agent to handle the issuing and receiving of all equality opportunity monitoring forms. Analysis of equal opportunity data will also be the responsibility of the agent. The PSNI equality and diversity unit must be provided with all relevant information for fair employment monitoring purposes."*
1014. **The Chairperson:** That is information that has been provided to the Committee.
1015. **Mr Cox:** We need to check that because that is not right.
1016. **The Chairperson:** You are saying that information from the PSNI, which we have before the Committee, is not right?
1017. **Mr Cox:** It does not make sense in respect of our expectations from the supplier, which is Grafton. Our expectation was that Grafton was providing us with the monitoring information, consolidated from the

- permanent recruitment. Jason has already talked about what they do for the temporary workers. I am confused, and we will check that.
1018. **Mr McKay:** Jason, what is your view on that?
1019. **Mr J Kennedy:** I have three views, Mr McKay. My first is aligned with those of Mr Cox in so far as the responsibility to report to the Equality Commission lies solely on the employer, which, in this instance, is Grafton, and, therefore, we reported annually. Without trying to contradict anyone, I think that if we were to report it and the PSNI was to report it, we would have to double account from the equality perspective, so it would seem logical that, as the employer, —
1020. **Mr McKay:** Were you aware that that was in the tender?
1021. **Mr J Kennedy:** I was not, because my working assumption has always been that that responsibility falls with Grafton. However, I have a rhetorical question: is the contract that you refer to a 2004 contract, as I think you mentioned, as distinct from the current contract?
1022. **Mr McKay:** It is from 2004.
1023. **Mr J Kennedy:** That is a different contract from the one under which we are currently operating, so I cannot comment with any working knowledge on the 2004 contract.
1024. **Mr McKay:** Can you check that out and give us a view?
1025. **Mr J Kennedy:** I am happy to do that.
1026. **Chief Constable Baggott:** I wonder whether we might examine this because it appears that there are parts of one contract being transposed to another. However, the critical two words are “relevant information”. If the provision of relevant information to the Equality Commission rests with Grafton, that is where that would sit. If there is no relevant information to be provided to the PSNI under existing legislation, there would not be any provision. It may be clumsy, but I do not think that there is anything in there that sounds particularly Machiavellian or as if something has been breached, because the key words are “relevant information”.
1027. **Mr McKay:** I am concerned that something relating to equality monitoring in the police is referred to as “clumsy”. This is significant; it is quite serious.
1028. **Chief Constable Baggott:** Forgive me —
1029. **Mr McKay:** Let me finish.
1030. **Chief Constable Baggott:** The wording is clumsy, not the information.
1031. **Mr McKay:** Mr Baggott, I think that this is significant. The PSNI should have read this information before sending it to the Public Accounts Committee.
1032. **The Chairperson:** Perhaps there is an issue there, Mr Baggott. The information before us warrants further clarification.
1033. **Chief Constable Baggott:** I agree entirely, but I want to clarify something. I did not call providing the right information under the law “clumsy”; I was referring to the wording of the contract and expressing concern about what the wording meant. There is a difference between legal compliance. Forgive me if you felt that “clumsy” referred to legal duty, because it was not that. I think that you know that.
1034. **Mr Mitchel McLaughlin:** My question relates to a further inquiry. I am intrigued. If this was in a 2004 document, I think that I can understand why we were talking about two different realities for a time, but it raises a serious question. Why did that paragraph drop out of the procurement process and the contract, given the significance of section 75 groups and its centrality in the Good Friday Agreement? It was in the 2004 document, and we are told that it is not in the current document, so that immediately flags up to me the fact that somebody —
1035. **The Chairperson:** Who was responsible for putting this document together?
1036. **Mr Cox:** Do you mean the submission to the PAC or the 2004 document?

1037. **The Chairperson:** The document that Mr McKay read from.
1038. **Mr Stewart:** I surmise that the document may have been put together by the procurement unit at the time, but I will check. Any subsequent contract will have been put together by the procurement unit as well, whether it be 2004 or 2008, subject to the requirement of the customer, who would be the PSNI.
1039. **Mr Mitchel McLaughlin:** Would the omission of that paragraph have required discussion and agreement?
1040. **Mr Stewart:** The position in law is clear about the supply of community background information, and it is in the Equality Commission document. We will check out whether the document was incorrectly expressed in 2004, but two wrongs do not make a right; it does not mean that that error should be repeated in 2008. If we ascribed the wrong duty to the contractor in 2004, we would have hoped that it would have been rectified in 2008, because 2008 reflects the legal position, as I understand it, which is that responsibility for the equality monitoring of agency staff rests with the agent and not with the PSNI.
1041. **Mr Mitchel McLaughlin:** As I understand it, and as you are presenting it now, the correct position is that the agent gathers the data and makes it available for monitoring purposes. Therefore, it seems to me that the position in 2004 was the correct one. If the existing contract has been amended to delete that requirement, that is the incorrect decision. We have not moved away from the requirement to monitor equality provision and opportunity, by any means.
1042. **Mr Stewart:** We may be talking at cross-purposes here because the responsibility of the agent is to gather data and to supply it to the Equality Commission, not to supply it to the Police Service of Northern Ireland, because, under law, it cannot supply it to the Police Service of Northern Ireland.
1043. **Mr Mitchel McLaughlin:** I do not think that we were ever discussing that.
- The information has disappeared; we cannot get it now, yet it appears that there was a time when the information was gathered. The mechanism by which it would be supplied for monitoring purposes is merely a matter of good management; it should not be the issue. As a legal requirement, it should be, and, I hope, still is, a duty that is inherent in every contract that issues from a body such as the PSNI.
1044. **Mr Stewart:** The legal duty exists in statute. The legal duty to acquire that information and to supply it to the Equality Commission is, in this particular case, on Grafton; that is its responsibility. All the contracts that we are associated with have very specific requirements on a contractor to comply with a legal framework that exists in Northern Ireland. I think that that, potentially, is a standard clause in every CPD-related government procurement.
1045. **The Chairperson:** Before I let Mr Girvan in, I want to ask Mr Kennedy something.
1046. **Mr Mitchel McLaughlin:** May I finish?
1047. **The Chairperson:** OK. It is clear to me that there may have been a significant error in that area. Going back to my original question, Mr Kennedy, did you inform the Committee and me that you do not supply any equality information under temporary worker contracts?
1048. **Mr J Kennedy:** Yes we do, to the Equality Commission but not to the PSNI.
1049. **The Chairperson:** You do not provide information to the PSNI.
1050. **Mr J Kennedy:** That is correct.
1051. **Mr Girvan:** That was the point that I wanted to make, because I appreciate that Jason said that he had done an annual return to the Equality Commission, and I was just coming round to that. It is his responsibility.
1052. **Mr Mitchel McLaughlin:** I will tell you why I am interested. I put this question to Judith Gillespie and yourself, Mr Baggott. I felt that I got a very forthright and direct answer from Judith Gillespie, which I much appreciated. The question



- related to the unfortunate pattern of inequity of community representation in the RUC, which we attempted to repair with the establishment of the PSNI. Yet we find that, in the area of full-time and temporary agency staff, a pool was developed by retired RUC and PSNI officers registering with Grafton, Grafton winning the contract and that unfortunate history being revisited. Judith accepted that that is where there was a major lapse in the equality requirements, as Patten identified in a very central way. We were recruiting from a pool that could not possibly have been representative of the community and without reference to the equality requirements of a new beginning to policing that is representative of the community that it serves.
1053. **Mr Stewart:** This is a very complex area, and it is important to be clear about what we are saying. Grafton will tell you that it has a very wide employment pool. It goes much, much wider than people who have ever had anything to do —
1054. **Mr Mitchel McLaughlin:** [Inaudible.]
1055. **Mr Stewart:** The context of the pool on which it draws for appointments is important. The report tends to overlook that 61% of the people who are employed as temporary workers by the Police Service of Northern Ireland had absolutely nothing to do with the Police Service of Northern Ireland hitherto fore. They were not ex-colleagues and had nothing to do with the police, but 39% were. That takes us into the area of specific police skills. If I may be so bold, I think that, in her evidence, the Deputy Chief Constable was referring to a situation in which there was a specification for roles that could be filled by ex-police officers. You were then fishing in a very narrow pool, and we all have to accept that that is the case.
1056. **Mr Mitchel McLaughlin:** I am conscious that I am cutting across colleagues. They were not essential police skills in all circumstances; they were call handlers, drivers and camera operators.
1057. **Mr Stewart:** We need to be careful about that, too. Until the past couple of years, call handler positions were occupied entirely by police officers. In exactly the same way, it was sworn officers who operated cameras. We need to be very precise about the information, and that was the situation until very recently.
1058. **Mr Mitchel McLaughlin:** I would have thought that those posts would have presented prime opportunities for civilianisation. What we used to do was not best practice if it was not representative of the community to start with. There is then the question of whether we needed highly trained police officers to operate cameras and staff call centres.
1059. **Mr Stewart:** We recognised that, which is why we have moved to civilianise those posts. However, those posts were previously occupied by sworn officers; you would have found the same thing in other police services. With our circumstances and the restrictions around the 7,500 figure, we were restricted in what we could do.
1060. **Mr McQuillan:** I will follow on from Mitchel's question. Chief Constable, do you agree that the reason why officers had to be used for camera operation and call handling was the security situation at the time? We have moved on since then, which is why we can now civilianise the appointments.
1061. **Chief Constable Baggott:** As I said the last time that I gave evidence, I was not here at that time. However, when I look back at the sheer scale of the churn of more than 8,000 people leaving, the bit that I am very concerned about was the rigidity of having to have 7,500 police officers. With the benefit of hindsight, there might have been greater emphasis on that in the report. They were fulfilling police roles traditionally done by police officers. You had to do that because the police skills were needed.
1062. There was a difference between posts that required specific police skills at that time and the right for people to go back into the employment market

- if they had driving, administrative or any other competencies that may be available to anyone else. Police officers develop a whole range of skills over the years. Forgive me if I am mistaken, but I suspect that, under employment law, it would be illegal to deny people employment opportunities simply because they are former police officers. I think that we would have run into significant problems if the organisation had decided to do that. One issue is the justification for police officers going back into police posts that require policing skills; the other is employment law.
1063. When asked at the last meeting whether, with the benefit of hindsight, we could stand over every post, I was clear that I suspect that we could not, given the sheer scale of the process. There will be posts that we have subsequently tightened and reviewed, and our governance is much better. That was identified by the internal audit report in 2007, which was done by the PSNI on the PSNI.
1064. However, across the whole of the UK and in the South, there is a need for temporary staff and the employment of police skills, albeit on a short-term basis. The question is this: can it be justified? That is the critical issue. Is there good governance, and can it be justified?
1065. **Mr McQuillan:** Do you also agree with me that where this whole thing fell apart was in the fact that recruitment was devolved to district commanders and that HR and headquarters were too far removed from it? That led to a rapid increase in numbers, and it got out of control.
1066. **Mr Stewart:** As I said at the outset, the view of the Chief Constable and the rest of my colleagues in the command team at the time was that we should pursue maximum delegation, although the HR department and I were slightly uncomfortable with that. Over the years, we were constantly agitated about the need for clearer control over temporary workers. As is clearly expressed in the report, in 2007-08, the matter was fully debated by a committee chaired by the Deputy Chief Constable representing the whole command team. The view was that, rather than re-centralising control, we should issue strong guidance to the heads of human resources on compliance with the various requirements of temporary workers. That had limited success, as the figures show that the numbers reduced by about 200. It is only come 2010 that they drop radically. From January 2011, I exercised central control over every temporary worker who came into the organisation. A business case for each one had to be presented and signed off by me.
1067. You could say, on reflection, that we took the wrong decision in 2004. However, people were focused on the great prize of implementing Patten. What is forgotten is that, four times a year, the Oversight Commissioner's team arrived on PSNI premises, and the first thing that they looked at was the extent to which delegation had been given to local commanders. Have you reduced the size of central HR? Have you given that responsibility to district commanders? To what extent can district commanders and heads of department purchase their own services? They expressed disappointment if there was not maximum delegation. If you look at the Oversight Commissioner reports published over time, you will find a common thread.
1068. **Mr McQuillan:** Earlier, you quoted the statistic that about 61% of those employed through this process were not former police officers. How many professionally qualified HR staff do you have now?
1069. **Mr Stewart:** There are about 40 HR folk with professional qualifications. That came about as part of an external recruitment campaign and internal skills development.
1070. **Mr McQuillan:** How does that compare to 2004?
1071. **Mr Stewart:** There are more now than in 2004. Part of the delegation process was to provide commanders

- with more qualified people to assist them in their decision making. That is how the numbers grew. Between 2004 and 2006, we ran a skills development programme that took the numbers up to what they are today.
1072. **Mr McQuillan:** Have you any uniformed police officers doing an HR role?
1073. **Mr Stewart:** There are no uniformed officers involved in human resources deployments or anything of that nature. I have one staff officer who manages my office who is a uniformed constable; all the other uniformed officers who work for me work in training and in delivering direct operational training.
1074. **Mr McQuillan:** Do you believe that the numbers of temporary workers were out of control in 2004 and thereafter?
1075. **Mr Stewart:** We wrote the wording that is referred to in the Northern Ireland Audit Office report. What we were trying to do was direct the attention of our colleagues to the fact that the numbers were increasing. Our concern was more that, when others left, our colleagues were replacing vacant posts without thinking about whether they needed to replace them or whether there was a different way of doing the job. We were also concerned about long-term sustainability in respect of cost. That is why we wrote it in that way.
1076. **Mr McQuillan:** Did any of you ever contact ex-RUC officers to tell them to contact Grafton for a job?
1077. **Mr Stewart:** No.
1078. **Mr McQuillan:** I know that I am straying into somebody else's question, but why was red circling not used more often? I think that I asked the Chief Constable that the last time he was here.
1079. **Mr Stewart:** The report is quite clear. The Treasury put a limit on the number of red-circle posts that we could have. Although we felt that it was a wee bit tight at the time, I understand it. The big prize for the change process was the composition of and change in the PSNI. If we had the ceiling of numbers that you could only recruit to in police employment and if we retained a lot of people on red circling, it could have been argued that we were seeking to defeat Patten. The Treasury was also keen to ensure that everybody who had to go had gone within the financial period up to 2010-11. It made it clear that if there were any people who had to go after 2011 and we had not achieved what we had to achieve, the funding might not be available to pay them under the voluntary severance scheme. That was a bit of a pressure as well.
1080. The red circling was entirely voluntary; people had to agree to be red-circled. We were not able to make much impact because of the 5%. We did not use the whole 5%, but if we had, the implications would have been insignificant.
1081. **Mr Cox:** A couple of points need to be made. At the very outset, the voluntary severance scheme was run annually. It encouraged people to rush to the door, often whether or not they were prepared to, because they did not know whether it was going to happen the next year. In 2002, we took it up with the Northern Ireland Office to see whether it would give us an undertaking that it would run the severance scheme for the duration so that people could be given the assurance that if they did not go this year, they could go in the next year and the like. The response, as you might expect, was that it would not look beyond the current spending cycle. I would probably have been surprised if it had looked beyond it. However, it gave us a signal that it understood the connection to creating headroom and to the compositional change through recruitment. We were able to give a signal to the wider organisation that the process was not going to finish at the end of any given year; it was going to run for the 10-year cycle. That encouraged many people not to apply.
1082. As Joe said, it was voluntary, but the individuals had to be aged over 50. The terms of the scheme meant that people aged 48 and 49 could have maximised their benefits; therefore, they would not have been eligible for consideration.

- Even if they were eligible, they had to agree to be red-circled.
1083. Paragraph 5.5 of the report shows the criteria that had to be satisfied. The criteria were applied by the severance valuation panel, which had representatives of the Northern Ireland Office and the Policing Board's chief executive on it. Each case had to be dealt with on its merits. Figure 18 shows the numbers who were red-circled. You might ask why we did not have 17 if we could have had 17. It was partly down to the deselection. The first three years were essentially about the reduction of numbers; we had 8,500 regular officers, and that had to come down. The profile in the Patten report shows, from memory, that it expected it to come down after three years to about 7,100. As it turned out, because of the slight fracture between the severance scheme and the recruitment, it went below 7,000 and had to be recovered in 2002. That is why, in year 3, we suspended the severance scheme. That was part of getting stability and certainty into the exercise.
1084. Even if we had from year 5 out, we would have had an extra 38 people, had we been able to find them. That would have had no material effect on either the volumes that I talked about earlier, the transactions of people leaving and being brought in or, indeed, the number of temporary workers that we would have brought in. It was just one device against a significant series of changes during that period.
1085. **Mr Rogers:** I want to take up a point that Adrian made. It says somewhere in the report that the recruitment of temporary staff was "out of control". In the timeline, in the information that you gave us on 16 December, it says that the HR committee discussed the continuing high number of agency staff employed by the PSNI. There is a letter, which was agreed to be issued to the Deputy Chief Constable, regarding members' concerns and the requirement for greater urgency and a more strategic approach.
1086. However, look at figure 6. Two years later, in 2007, the number of temporary agency staff peaked. What happened?
1087. **Mr Stewart:** There were several things on the go at the same time. I referred earlier to the restructuring of the organisation into eight districts and to the compulsory severance of the full-time Reserve. What happened was that commanders and heads of departments were desperately trying to plug gaps. Moreover, we had anticipated a much more rapid progress with measures in the Public Prosecution Service such as file handling and some of our IT systems that would be implemented to reduce the number of files that we had to handle so that we needed fewer people to process prosecution files. We thought that there would be a more joined-up approach and that we would be better able to use IT. At that time, the Causeway Project was under development among different agencies. However, we were ahead of other parts of the justice sector. Therefore, we had a mismatch between what we expected we would be able to do and what we were able to do, which resulted in the increase in the number of officers concerned. However, we have looked at that column in detail. Michael has something to add.
1088. **Mr Cox:** This was debated at the last Committee meeting, and a question was posed that gave a response that showed a slightly different picture from that presented in figure 7. Let me explain what that is and why it was done.
1089. Figure 7, which is sourced by the PSNI workforce strategy, was deliberately done in that way. I mean that all we did was put in the main grant pay posts for the staff. That pointed up that we had more people than approved posts, which is what the Auditor and Comptroller General said at the last meeting. We did it that way as a fairly crude attempt to try to get the organisation to start focusing on that, as Joe said.
1090. What is not quoted in the draft workforce strategy, but which is acknowledged in paragraph 3.5, is that

- we also included in the commentary the trade union side's concerns about the volumes and that it also wanted opportunities. What we were trying to do was stimulate a debate across the organisation to confront what it called "archaic working practices". That would have been a way of dealing with what Joe was talking about, namely, creating some capacity that we might have been able to use for civilianisation.
1091. Therefore, in the department, we were trying to agitate to get a different debate going, but I am not sure that the debate was heard, for, as you say, Mr Rogers, the numbers went up. However, we were agitating and then, in 2008, the numbers went down, and that was on foot — hopefully — of some of the agitation that we had done, but also on the deliberations by the finance, personnel and training committee in the middle of 2007.
1092. **Mr Rogers:** You say that the debate was not really heard. Had that anything to do with the fact that that particular workforce strategy document was never endorsed anywhere? It was only consultative.
1093. **Mr Cox:** No, it was not. However, it was shared with the Policing Board and across the organisation because it was developed from the Links project, which was dealing with staff alone. Honestly, it was fundamentally flawed because it looked only at staff. It did not look at the wider organisation. As Joe said earlier, what we needed to do was to look at how we deployed the staff and officers in order to control costs and ensure that we had a greater preponderance of the staff in forward service-delivery-type roles as best we could — to civilianisation point, by way of shorthand. What is missing from figure 7 is — in the answer given to the question that was posed at the last hearing — that it gives us answers about other funding streams. For instance, in the very first line, on command, it looks as though there were 153 too many people. A funding stream has not been included, the HET funding stream, which is shown there. As I said,
- that was done as a pretty crude device to try to get the organisation to address the number of temporary workers.
1094. **Mr Rogers:** I have one small question. How, then, is it that Policing Board members have no record of the 20% increase in the number of temporary staff in 2007 if all of that was shared with them?
1095. **Mr Stewart:** I cannot account for that because not only was the information shared with the Policing Board in written terms, but there would scarcely have been a month when that matter was not being discussed by the human resources committee of the board or a month in which either Mr Cox or I would not have been present in the partaking of that discussion. So, I cannot account for that.
1096. **Mr Dallat:** The issue of red circling has come up. I was to deal with that question later on. At least, if somebody else asked it, I cannot get into trouble for misrepresenting it. [Laughter.] Let us finish it. If a superintendent goes out on a Friday evening and comes back as a consultant on the Monday, let us face it, that is not real. Who set the daily rate? How did the rate compare with the previous salary? I can tell you that those rates are, very often, much better. How did that affect public confidence in an organisation that people aspire to and look up to for doing things right? I would, of course, add that consultants have been the bane of all Departments. You know that the Public Accounts Committee has a particular view on consultants. So, do not take it personally when we ask you about them. However, it really does beggar belief that, somehow or other, the PSNI managed to get onto the consultancy gravy train as well. How do you justify that?
1097. **Mr Stewart:** I think that the Chief Constable made a very telling point in his evidence, which is that when you look at some of those cases — some few cases, I have to say — things do not look good, but it would be wrong to extrapolate that from one or two isolated examples to the organisation

- as a whole. We can see that there are some very specific instances when that happened. Some of them are mentioned in the particular report. As I understand it, one of the individuals to whom you referred was in a particularly key post with regard to the specific requirements of the legislation under which the organisation operates. He had expertise that had to be retained. I am not au fait with his skills set. As to the rates of pay, I think that they are established through negotiations with the individual concerned. The human resources department would not be involved in those negotiations. The negotiations would be taken through the process that is set out in our financial regulations with, probably, the departmental head concerned, but not necessarily with us.
1108. **Mr Dallat:** So, Mr Stewart, you are certainly telling us that whatever else you are responsible for, you are not responsible for setting the fees for those former police officers who came back as consultants.
1109. **Mr Stewart:** No.
1110. **Mr Dallat:** Was it something that bothered you? Was it something that you might have anticipated would become a question at a future hearing of the Public Accounts Committee?
1111. **Mr Stewart:** If the truth were told, I do not think that I ever envisaged being at a hearing of the Public Accounts Committee.
1112. **Mr Dallat:** Our original indication was that you did not envisage it, since you did not turn up the first day.
1113. **Mr Stewart:** That would be rather unkind.
1114. As an organisation, we are well aware of the issue concerning consultants. We are very sensitive to that, and rightly so. I think that eight or nine cases are referred to in the report over the organisation as a whole. I ask the Committee to take that in the view of the organisation as a whole. There are very specific reasons that can be gone into in another place as to why those people were engaged. I think that the Chief Constable may be more aware of them than I am. I can certainly speak about one of those cases, but I cannot speak about the others.
1105. **Chief Constable Baggott:** I urge some caution in taking individual cases and extrapolating them into something that is wrong. Case example F does not say that what happened was wrong, illegal or not justified. It presents some facts.
1106. I am concerned about that because, as the Deputy Chief Constable said the last time, a number of people came back and, for example, acted as family liaison officers in relation to a tragedy, and the posting of those people was exactly the right thing to do. There were others whom we employed because of obligations to other agencies; for example, the coroner. They might have had a continuity of knowledge, and the judgement on that rests with the coroner. I am quite concerned with taking case studies and somehow making the assumption — not that you are — that something is going wrong.
1107. Perhaps, if we can, we will provide some confidential briefing to the Committee on the justification for some of those posts — the time they were there and the reasons for that. I am nervous about this being presented as something that is wrong. Each case must be taken on its merits. That is not to say that, among the number of police officers that came back, every post could be stood over. I have been very clear about that, particularly in relation to the years of 2006 and 2007, when there was a desire to pull that back in and exercise greater grip. Sometimes, there are justifications for very specialist posts.
1108. I think that we need to be careful when using the word “consultant”. Being employed as a consultant can mean bringing back specific skills, not being asked for advice. I would be very nervous if we were bringing people back and asking them how to do things when I already have those skills in the organisation. However, they might have specific knowledge, and there might be

- an issue of continuity in their role that had to be addressed at that material time.
1109. **Mr Best:** Joe referred to how that might be calculated on the financial side. That would tend to be left to the local decision-maker in consultation with HR. I will give you an example from when I went through a process. Just after I joined, we did a major exercise involving the Treasury on the value for money of the severance scheme. The previous head of finance had particular expertise in the pension schemes of our full-time Reserve and the old auxiliaries. He retired, but we brought him back. We looked at his previous rate of pay, the charge-out rate that we might give him and the consultants' rates that are published in the guides, and we made a decision. We sought to ensure that he would not earn any more than he would have done through his annual salary. We went through that process. You tend to look at what salary they left on and what the market rate is and come to some agreement. That is the process that you tend to go through.
1110. **Mr Dallat:** Perhaps to put it more kindly, a lot of this is historical. For the purpose of our report, we would not expect to see consultants appearing very often in the future.
1111. **Chief Constable Baggott:** You might see specific justification for individuals to come back for a time-limited period. I would be wary about using the word "consultant". We probably, generally, misuse that word a little.
1112. **Mr Best:** A term that we tend to use is not "consultancy" but "staff substitution". In other words, if we need a particular skill, we will bring someone in from outside to do that. That is not consultancy. That is defined in the Civil Service guidance as "staff substitution".
1113. **Mr Dallat:** I am sure that the income tax department is listening very carefully to what we are saying here. "Consultancy" seems to me to merit self-employment and opportunities to claim expenses and all that, whereas "staff substitution" could probably be PAYE. That will make somebody happy.
1114. **The Chairperson:** It might. Mr McKay, do you want to come in on this question?
1115. **Mr McKay:** Do all the officers we are discussing work in-house on the police estate? Do they have their own offices in the PSNI?
1116. **Mr Stewart:** I could not say for sure because I am not over the terms of the various posts. Are you talking about consultants?
1117. **Mr McKay:** Yes.
1118. **Mr Stewart:** I am not over those terms. I assume that some would have to have access to the police estate to carry out their work. If somebody was reviewing a particular murder investigation, they would need to have access to premises to conduct that type of review.
1119. **Mr McKay:** I seek some clarification on that. If consultants are working on a case on the police estate all year round, they will be availing themselves of police services, such as a telephone line. They would have to pay those overheads if they had their own office. Is the fact that they are availing themselves of police resources taken into account when you are negotiating the amount that you have to pay consultants?
1120. **Mr Stewart:** As I said, I really could not say because I am not over the detail of those cases. I would simply point out that there seems to be eight or nine examples of that. That is really the extent of it.
1121. **Mr McKay:** Could you provide details on that?
1122. **Mr Stewart:** David and I will try to find out what we can about that for you.
1123. **The Chairperson:** Are you happy enough with that Mr McKay? The witnesses will provide some more information for the purposes of clarification.
1124. Mr McKay, you are next to ask a question.

1125. **Mr McKay:** Paragraph 3.6 of the report relates to the evaluation of positions. It states that a PSNI internal review of criminal justice was carried out in 2009. As part of that, 18 jobs were evaluated, of which 10 were subsequently downgraded, seven remained unchanged and one was uplifted. The review found that over half the posts were graded incorrectly and that staff were overpaid. Was that of major concern to you?
1126. **Mr Stewart:** Not really. The initiative taken by the head of HR was to be supported in looking at the construction of that department. I do not believe that there is any reason to extrapolate that experience to the organisation as a whole. In fact, I think that — Michael will keep me right — in 2009, we conducted a complete resource-to-risk process across the whole organisation in which every post was looked at and justified. Without going through a full job evaluation process — that would be horrendously time-consuming, and we would probably still be at it — we looked at that, compared it with our information and came to a view about whether it was appropriate to retain or suppress posts and whether anything should be changed.
1127. **Mr Cox:** I have a couple of points on that. The resource-to-risk process started in the autumn of 2009, with a view to agreeing the HR distribution plan for the day after Patten ended. That was on foot of the strategic review that happened earlier in 2009, which allowed us to move away from the fixed 7,500 officer establishment and to do some of the civilianisation and the different things that we talked about earlier.
1128. A couple of points need to be made about the job evaluation. Before that happened, in 2008, a review was undertaken of temporary workers and job evaluation to make sure that there was a match across to the grading guidance and to ensure that that was properly done. Overwhelmingly, that was the case. The conclusion you referred to was really not significant to us, and as Joe said, we do not accept that it can be extrapolated out. However, even if it could, we had already started a process in 2008 to look at those posts and to make sure that there was clarity on grading levels and rates of pay. A lot of stuff had already been done.
1129. The answer we gave in paragraph 3.7 of the report was in response to the commentary in paragraph 3.6 that we should undertake a review. At that time, it was not considered necessary to go back and redo it and make it retrospective when you are talking about the number of posts that would have come across a comprehensive review. We had already done something.
1130. **Mr McKay:** Claimed savings of £22 million and, I think, £25 million were referred to. Did those savings include the cost to the police of training and vetting agency workers?
1131. **Mr Stewart:** I do not think that those costs are relevant. Regardless of whether you were engaging somebody on a permanent or temporary basis, they would still have to be vetted and trained, unless, of course, they came with a skills set already available. So, as far as I am concerned, it is a neutral accountancy provision.
1132. **Mr McKay:** May we get those costs for the 10-year period?
1133. **Mr Stewart:** We will have a look at it, but I do not think it probable that we would have captured costs in that way for training and vetting. The vetting function is extant in the organisation, and they just deal with the volume of requests that go through, whether the posts are temporary or permanent.
1134. **Mr McKay:** Would that not need to be taken into account if you are trying to measure value for money?
1135. **Mr Stewart:** What I am saying is that there is no difference between our temporary and permanent people in the cost of vetting. The process is the same. Somebody being put in a permanent position has to be vetted; somebody being put in a temporary position has to be vetted.



1136. **Mr McKay:** Yes; but a temporary position is supposed to be a temporary position, as opposed to a permanent position, where, in theory, you would get more bang for your bucks, so to speak.
1137. **Mr Stewart:** Yes, on the basis that people stay with you longer, which is key to the whole thing. Our problem was that, given our financial situation, we needed to have the flexibility not to have people stay longer than we needed them to.
1138. **Mr Cox:** On a point of detail, Chair. Staff are vetted on a five-year cycle anyway. Vetting is done on a rolling cycle rather than once and indefinitely.
1139. **Mr McKay:** I think that it would be good to get some analysis of that, regardless.
1140. **Mr Best:** To reinforce the point: I was quite happy from a financial perspective that agency numbers were going up. That is because, to quote the figures, over eight years until the end of last year, we had target savings of £179 million. We achieved £194 million, which was 8% above target, and one of the contributory factors was that we had the flexibility to use agency staff to bridge the gap as we had to reduce police numbers. As Joe said earlier, 80% of our costs are staff-related, so that helped us to get those costs down and to meet those figures. That was an important driver in giving us flexibility, without which we simply could not have achieved those savings targets.
1141. **Mr McKay:** My final point is about what has been referred to as civilianisation. I think that it is right and proper to civilianise jobs such as call handling, which was referred to earlier. How many officers are there in call handling at the moment?
1142. **Mr Stewart:** I do not have off the top of my head the figures for officers involved in call handling. The number of 130-odd springs to mind, but I can certainly provide you with that information.
1143. **Mr McKay:** What is the total number of staff?
1144. **Mr Stewart:** In call handling?
1145. **Mr Stewart:** I have the figures in the office, and I can make them available, but I do not have them with me now, and I would rather not speculate.
1146. **Mr McKay:** May we have the figures for retired officers in call handling as well?
1147. **Mr Stewart:** I will have to check. The best thing that I can say is that I need to check to see whether that information is available.
1148. **Mr McKay:** OK. Thanks.
1149. **Mr Dallat:** On a point of principle, Chair. Mr Best, are you telling us that you used temporary staff as a means of controlling your budget?
1150. **Mr Best:** I said that we used temporary staff as a measure to meet the funding cuts that would come to us in the future but the scale of which we were uncertain about. So, we employed temporary staff, and when we faced the cuts, we were able to reduce those staff rather than lay off permanent staff. It helped us to manage the number of staff by which the PSNI would be reduced in the context of the very significant cuts that we have had over the past eight to 10 years.
1151. **Mr Dallat:** If I am picking it up right, Mr Best is saying that he used temporary staff in circumstances of uncertainty. That is OK, but I do not think that it should go further than that. I would certainly discourage Departments from using temporary staff as a means of controlling their budget.
1152. **Mr Best:** If I have conveyed that, I take it back. I accede to your point.
1153. **The Chairperson:** Mr McKay has finished his questions. Mr Copeland will take Mr Clarke's questions.
1154. **Mr Copeland:** I am Trevor Clarke for the afternoon. [Laughter.] I trust that you will bear that in mind when I put the questions to you, which I do with some sorrow, Joe, because you are an ex-shipyard man as well.

1155. Chief Constable, with your permission, I will address my questions to you, and you can decide which of your colleagues is best suited to respond. Mr Clarke has an initial question and three follow-ups. Mine are a good deal shorter, and there is a googly in there as well.

1156. Paragraph 3.10 tends to indicate that there was a lack of good quality management information to properly manage the contract. We understand that, on one occasion, you had to return to Grafton to obtain some of the information required for the C&AG's review. Given the size of the organisation, that is, perhaps, understandable but, nevertheless, regrettable. How did you expect to manage a £100 million contract and properly control the use of temporary staff, if regular and detailed management information was not, in effect, being generated? Or, is that a misnomer?

1157. **Mr Stewart:** First, we need to go back into the concept of the devolved administration of the organisation from 2004, when the command view was that these issues and budgets should be managed at local level, not centrally, to aid responsibility in departments and districts to take ownership of their own areas. That is what fed into that. In central HR, we were always aware of the numbers, because that is what we constantly referred back to our colleagues, and, indeed, the numbers of temporary workers were discussed frequently with the Policing Board. We had pro formas created, on which people were supposed to put down their business case and create the justification. However, the detail of the justification was held at local level. It is true to say that there may be some aspects of not being able to tie up the money side with the numbers side at the central level, but we are certainly in a different situation now. From January 2011, and well before the Audit Office had a look at us, we had a much clearer and tighter level of control, although that causes some frustration to some of my colleagues due to the amount of

bureaucracy that is now involved in that level of control. I am conscious that Michael is keen to get in here.

1158. **Mr Cox:** There is an important point here, and it goes back to one of the things that was said earlier about the value of the contract. As we know, the moneys processed through it include the salaries, and that has put it to the level that it is at. The local devolved decision-making and the heads of business services, which David talked about earlier, were there to control the costs and make sure that they were covered. The costs were covered, and it made sense. At the centre, the Grafton contract manager was aware, through our heads of business services, of what the expenditure going through it was in its totality. As Joe said, we were providing the information across the organisation. I suspect that we were not regarded as being terribly welcome on occasions, as we told people about the volume of temporary workers that we had, and we were trying to agitate to get an interest, as I said earlier. Then it came down to the management information on how we managed Grafton as the contractor and how it proved its performance to us. Those are the key performance indicators (KPI) that are mentioned in the report. So, it is about what they were doing specifically. The £100 million question, as you have put it, was broken down and dealt with in a number of ways. It would be entirely wrong to say that we had no management information.

1159. **Mr Best:** I will comment on the financial aspect of that. Through the Patten process, we have referred to devolution being implemented. On the financial side, we developed a policy and procedures; we devolved budgets; we appointed heads of business services; and we developed an integrated planning process, which tied up the numbers with the money. Those budgets were given to the local level. Those included the salary costs. We dispute strongly the £100 million. Those were devolved to the local level, and I can assure the Committee that those were managed very tightly

by those managers. I held monthly meetings with all heads of business services and discussed variances. Those were reported through to the commanders. They came to the chiefs' meeting every month and to the board meeting every month, and I answered questions on those. Those were very tightly controlled, and I can confirm that we did not overspend on our budgets at any stage. The auditors have never qualified our accounts. I assure the Committee that strong financial control was operating during that period.

1160. **Mr Copeland:** I trust that the three supplementary questions will not need such long and in-depth answers. In what way did you monitor Grafton's performance in acceptability and whether a payment was due? Not so long ago, the Committee took evidence regarding a situation in which a service provider had been invoicing a non-governmental organisation for servicing lights in a block of flats 10 years after the block of flats had been demolished. Those things can happen. Was there any method of checking that a payment for the provision of a service actually related to the provision of the service and that the service was provided?
1161. **Mr Cox:** The approval of the payments was done locally. They were the people best placed to make sure that what was being charged for had been done. That is under the regime that David has sketched out for you. We had monthly contract meetings with Grafton. We also had half-yearly meetings with them on emerging issues and the like, and they were pitched at the higher level. Furthermore, contract performance meetings were conducted with Grafton, and they included representatives from CPD. There was, therefore, quite a robust arrangement in place dealing with those things.
1162. **Mr Copeland:** Did those arrangements have KPIs with which Grafton had to comply?
1163. **Mr Cox:** Yes. This goes back to what we wanted Grafton to do for us, which was about providing suitable people and getting them to fill gaps. There were performance indicators, and that management information formed the main agenda for those monthly contract management meetings.
1164. **Mr Copeland:** Was the list of suitable people that Grafton would have presented to you filtered by Grafton in any way? I understand that, for the most part, we are here discussing former police officers. I declare an interest, as I married a police officer who is now a former police officer, so I have some knowledge of it. Most expressions of concern that came to me about the whole process were not from those who had applied and found employment, but from those who had applied, considered themselves qualified and, for some unknown reason, were accepted and then unaccepted or not accepted at all. Was there any monitoring of former officers, particularly those involved in the fields of communications or intelligence? Some officers applied and felt that they were perfectly competent. I believe that there was one case in which the individual was under the impression that they had been accepted, only to be told two days later that they were not accepted. Was there any monitoring to ensure that there was a level playing field, even within the cohort that we are talking about, which is retired officers?
1165. **Mr Cox:** I will leave it to Jason to answer some of the specifics of how they deal with it. They were not sent to the centre or filtered at the centre; they were dealt with locally. The intention was that Grafton would provide us with a number of suitable people who met the criteria. That means that if one person gets it, one or more others will not get it and will be disappointed. That was the way in which the exercise was undertaken. The idea was that Grafton would give us a suitable number, depending on the role and the availability of people within their employment group, to meet the demands of the job or jobs.
1166. **Mr Copeland:** Would it be possible to obtain some indication of the number of positions that were offered and the average number of applicants for each

- position? Were any criteria applied, apart from the decision taken locally? Throughout my wife's service, she had several sergeants. She did not particularly like some of them, and I am sure that some of them did not particularly like her. Was there any method by which personal avarice or dislike, or some blip in former service, was written out? It is difficult, but do you follow what I am saying?
1167. **Mr Cox:** The difficulty is that it depends on the role and how many people were there. I understand that, quite often, as you said, it spoke to a number of people and then made its judgement that a certain person was the most suitable.
1168. **Mr Copeland:** Grafton spoke to a number of people?
1169. **Mr Cox:** No. Grafton quite often provided a number of people, depending on the job, and it would have spoken to local management, which would have made its judgement, hopefully — and I have no reason to believe otherwise — on the basis of an objective assessment. However, there is an old saying that there is nothing as queer as folk, and, therefore, I cannot say absolutely that an old sergeant did not take retribution. I have no way of knowing.
1170. **Mr Copeland:** It struck me as curious that we focused very much on those former officers who successfully applied. However, I, and probably some of my colleagues, have had complaints from those who applied unsuccessfully. That is not surprising, perhaps. I was just wondering whether there were any safeguards built in there. Would Grafton, on occasions, have perhaps presented a star, if that is the right word, potential candidate, and been surprised by the eventual selection? Or did you not bother with that?
1171. **Mr J Kennedy:** It is a fair question, Mr Copeland. Anecdotally, securing gainful employment in any sector is always an emotive business, particularly if you do not get the job. Therefore, there is always anecdotal evidence that the people who do not get jobs will shout loudest. This is no different. There are two key steps in the process, which may help you. Once Grafton undertakes a specification or a job order from the PSNI, we will receive a detailed specification and, hence, an open job order. Our responsibility is to manage the supply chain as professionally and objectively as we can, and that invariably is driven from our database. Invariably, on the basis of managing that supply chain, having received a job specification and done a detailed analysis with the hiring unit in the PSNI, we will typically provide, based on best judgment, anywhere up to a maximum of three candidates for every open vacancy. Thereafter, the hiring decision or the methodology to hire that person to the PSNI is taken by the PSNI.
1172. **Mr Copeland:** Please forgive me for asking this question, but cynicism has become a substantial part of my character in the past two years. Some of the jobs were very specialised, and although I fully understand that the person who did the job before was, on paper, the most qualified person for it, are you content that the job specifications that you received were wide enough not to lead to the immediate recruitment of a single individual? In other words, was the cloth cut to suit the pattern?
1173. **Mr J Kennedy:** I am happy that the specifications were wide enough, but as a private organisation in the recruitment industry, we have an obligation to register anybody who applies to Grafton. We are not prejudicial, whether you are a police officer or a brain surgeon.
1174. **Mr Copeland:** That was an interlude of mine amongst Mr Clarke's questions. When were the key performance indicators in paragraph 3.10 actually agreed?
1175. **Mr Cox:** When the original specification went out, it asked the bidders to make some suggestions about how their performance could be best managed. I understand that that is a standard way of doing it. Is that the best way of doing it? You pays your money, you takes your choice.

1176. **Mr Copeland:** What were they asked?
1177. **Mr Cox:** The bidders were asked to come forward with how it might be done, and that is the way, as I understand it, the procurement people expect it to be done. The ones that are set out in paragraph 3.12, if you understand the role of the temporary placement agency, are very relevant to what we want the contractor to do. It started with the original specification and then formed part of the procurement process after that.
1178. **Mr Copeland:** This is the last one I will set in front of you, Chief Constable. Apologies. We understand that the Policing Board claimed to have had great difficulty in getting information from you, particularly on the use of temporary staff. I presume, the service being what it is, that lessons have been learned about information flow from this contract and that those lessons will be applied in the future?
1179. **Chief Constable Baggott:** I will answer that again, because I have written to the Policing Board and I have not yet had a reply — but I will have a reply — suggesting that an independent audit is carried out on the provision of information to the Policing Board committees in relation to this specific subject, the whole issue of resourcing and the use of temporary and permanent staff. The correspondence that I have been able to provide — I am very grateful to the committee for that — does not show a tale of a lack of information. In fact, it shows a tale of significant information being provided at different times to different committees, underpinned by audits carried out by the Policing Board by the use of consultancy. There are lessons to be learnt in how the committee structure may become a bit more co-ordinated and how we might become more consistent in the information provision. However, if you look at the sheer volume of information provided at different times, it is hugely significant. I think that the way to deal with that is an independent audit, but that is a matter for the Policing Board to consider.
1180. **Mr Copeland:** My own question may be rather small and insignificant. Figure 14 indicates that 82% of the temporary staff who were employed as drivers were former police officers. Even to me, that seems to be a fairly high percentage. Can you explain why 82% of the temporary staff employed as drivers were former police officers? Was it because the skills that were required by police officers would not have been resident in the civilian community? More importantly, perhaps, who determined whether the policing skills were a requirement for a specific post? Did that reside with you going to Grafton and Grafton applying that judgement, or did you request former police officers specifically for specific roles?
1181. **Mr Stewart:** We would not request former police officers for specific roles in a specific fashion. As Michael said, those who were running the department would have been responsible, with their head of human resources, for developing a job description to fill a position. That would then have been given to Grafton, and it would have gone on to its database and tried to match those job skills and the specification to those on the database. Grafton was then required to produce people to the department, and the department would then have decided on engagement. I have not managed to bottom out the issue of drivers yet, except to say that it was quite small. We did quite a radical revision of police protection driving, where we tried to make best use of our available policing resource. We reduced the number of sworn officers involved in driving duties and replaced them with civilian drivers. I am speculating now, but some of those would have come forward with advanced driving skills that would have been suitable for that type of engagement, such as manoeuvring and things of that nature and the transport of confidential documentation.
1182. **Mr Copeland:** I put this question to you, Chief Constable, although you may not be fully able to answer it. Taking the whole thing in the round and the process of change — people into the

- service, people out of the service, people being promoted — and the whole new regime, in your view, could the continuity of service have been provided to the standard that it was as well or as economically efficiently without the use of those temporary officers?
1183. **Chief Constable Baggott:** I come at this with the benefit of hindsight and with the benefit of enjoying the prize that came out of this, which was the devolution of policing and justice. Look at decisions that have been made, particularly the one in 2007, which was to continue the Patten recommendation about a highly devolved structure. That was very important to gaining confidence, which led in April 2010 to having a Justice Minister, four-year budget planning time frames, coming off the rigidity of 7,500 officers and, to be honest, to work with DFP in a much more inclusive way around the guidance. The prize was devolution.
1184. Looking back at this — and we have acknowledged this — could the grip have been tighter? The internal audit itself, in 2007, said that there were questions to be asked, and the grip got tighter. However, if you look at the number of factors of the churn, 8,000 is a huge number to leave an organisation — 80,000 staff movements. If you look at the way in which the budget was having to be managed, which, in effect, was to have no carry-forwards and give back the money at the end of every year, the comprehensive spending review in 2007, which has now been acknowledged was too low — it left the organisation without the resources. If you look at the rigidity, combined with the lack of forward planning, combined with churn, I do not think that there would be an organisation in the private or public sector that would not have had to make use of some temporary staff. The fact that many of those posts were being filled by police officers or were police roles inevitably led to the return of some police officers, both by employment law requirements and by specific policing skills. There was, if you like, an organisational consequence of
- all those things coming together, which probably was not predictable in 2002.
1185. The other issue of course is that, sadly, since 2006 there has been by some a return to violence, which, in itself, is a factor that was not foreseen at the time. So, enormous churn, the rigidity of the regime, the extra threat — and even, forgive me, but the point has been raised, the legal complexity. The Deputy Chief Constable is entirely right, and I share her view, that we would love to be on the front foot with the Equality Commission in developing a whole, legally audacious approach to equality that is unprecedented in the public sector in Northern Ireland or elsewhere. There is a genuine promise to work with that, but even that is complex. What the Equality Commission said we could and could not do is complex. Employment law is complex, and all these things are matters that, at the time, could not be foreseen —
1186. **Mr Copeland:** [Inaudible.]
1187. **Chief Constable Baggott:** Yes, and had consequences. Forgive me, because I do not want to grandstand on this, but where we are today, with the benefits of what we went through in that decade, is a much different place, a much tighter place. That is very important, because in the next year or two, we are going to get into even tighter budgets, where the use of temporary measures will become critical. There is nothing unusual there, in the private sector or the public sector. We are going to have to do that.
1188. At the end of this year, however, we have the highest confidence for many years, the lowest crime for many years and the lowest number of road deaths for many years. Something in public safety and public responsiveness has been achieved, alongside a really significant consensus with the devolution of policing and justice.
1189. The area that we still need to talk about with our Policing Board colleagues, with the greater scrutiny that I welcome, is the issue of accountability. That touches on the issues of information

- provision to the Policing Board and how we can improve that together, individual accountability to the ombudsman, which was quite rightly challenged on the Policing Board, and is one for others to resolve, but which we will sign up to, and best value, which continues to be something that exercises everyone in public sector and private sector leadership at the moment.
1190. **Mr Mitchel McLaughlin:** I want to pick up on point that the Chief Constable left off on there. I want to record my gratitude for and recognition of the transformational achievements because they have been absolutely breathtaking. I am at the stage now where I know the first names of police officers. It used to be the other way round; they knew my first name, but I did not know theirs.
1191. This report and this discussion have come about in the context of remarkable and very positive change. However, there are issues that we have to get right. I have a confidence in the discussions that we have that, where issues are exposed, they will be responded to.
1192. I want to come to two issues that go to the heart of this report and which have significance in securing, consolidating and building on the public trust and confidence that exists. Paragraph 4.8 of the report outlines the key issue:
- “The majority of former PSNI officers who were re-employed had a break of more than one year between their severance date and starting in a temporary position. Fifty four were re-employed within a week of leaving; nineteen, one day after their severance date; and two were engaged prior to their severance dates.”*
1193. I am not going to go through all the cases, but I want to discuss the last two referenced. The Audit Office identified, as it transpires in a footnote, the information is that they:
- “were former full time reserves who had ended their operational engagement with PSNI and had begun their paid retraining phase.”*
1194. I presume that this is agreed and factual, and that there is no dispute about that information. Which company was providing the training?
1195. **Mr Stewart:** Sorry, for —
1196. **Mr Mitchel McLaughlin:** Joe, only the two reservists who were preparing for their severance and were on a retraining course.
1197. **Mr Stewart:** The Police Rehabilitation and Retraining Trust was responsible for retraining full-time Reserve officers.
1198. **Mr Mitchel McLaughlin:** The trust itself? Did it bring in another company or organisation to provide the training?
1199. **Mr Stewart:** My understanding of the way in which the Police Rehabilitation and Retraining Trust went about its business was that it had a range of permanent staff who delivered training, but various aspects of training were delivered by different experts. I understand that it did not have a full panoply of skills in the organisation to do the full round of training for officers, which also, of course, depended on what careers full-time Reserve ex-officers decided to go on.
1200. **Mr Mitchel McLaughlin:** On the face of it, this would appear to be a relatively easy set of circumstances to identify. Am I correct in asserting that Grafton provided the retraining?
1201. **Mr Stewart:** I do not believe so. I do not know. I can check it out, but I do not believe so.
1202. **Mr Mitchel McLaughlin:** May we see whether that information is available? Would the Audit Office or any other of the witnesses be able to help us?
1203. **Mr Stewart:** No. I do not believe that to be correct, but we can certainly go into those two cases without any difficulty and provide you with —
1204. **Mr Mitchel McLaughlin:** It is not inconceivable that it would have been Grafton? Might it have supplied some of the services that the Police Rehabilitation and Retraining Trust did not?

1205. **Mr Stewart:** I would be surprised. Rather than say it is “not inconceivable”, I would be surprised, because a lot of the courses that I was aware of were about CV development and different career directions. People followed a range of careers, so I cannot quite see the —
1206. **Mr Mitchel McLaughlin:** I absolutely accept that you have to check it, but will you come back to us, please?
1207. **Mr Stewart:** Surely.
1208. **Mr Mitchel McLaughlin:** OK. I have a second and particular concern. I think that you were present at the PSNI’s community policing awards recently.
1209. **Mr Stewart:** I was.
1210. **Mr Mitchel McLaughlin:** You will have recognised that one of those presenting awards was a former PSNI direct commander who now works for Grafton.
1211. **Mr Stewart:** Yes; I think that he has already been referred to in these proceedings.
1212. **Mr Mitchel McLaughlin:** I have his name here, but I will avoid using it unless necessary. He presented an award at that event on behalf of Grafton.
1213. **Mr Stewart:** Yes.
1214. **Mr Mitchel McLaughlin:** Is it also true that Grafton assigned him to its PSNI recruitment portfolio?
1215. **Mr Stewart:** I believe that that is what has been said, yes.
1216. **Mr Mitchel McLaughlin:** So, on the other side of that, because we discussing what has been described in the media as the “revolving door”, is it also true that you have recruited people from Grafton into the PSNI? I am thinking particularly of two individuals whose names I have.
1217. **Mr Stewart:** Yes, we have.
1218. **Mr Mitchel McLaughlin:** Initially on fixed-term contracts, they are two people with whom you have some history when they worked with Grafton. This was around the same time as the contract was varied in 2004 to make Grafton the sole provider.
1219. **Mr Stewart:** No, that is not correct.
1220. **Mr Mitchel McLaughlin:** Will you come back to me with the detail of that time frame?
1221. **Mr Stewart:** Absolutely.
1222. **Mr Mitchel McLaughlin:** Subsequently, the jobs that both individuals were doing were made permanent. They are now permanent employees.
1223. **Mr Stewart:** No. They are on fixed-term contracts.
1224. **Mr Mitchel McLaughlin:** Still? Is one of them your HR man in the crime department?
1225. **Mr Stewart:** There is somebody who was an employee with Grafton, who was engaged following an open competition for human resources managers.
1226. **Mr Mitchel McLaughlin:** The other individual is in central HR?
1227. **Mr Stewart:** As a Grafton employee?
1228. **Mr Mitchel McLaughlin:** Former.
1229. **Mr Stewart:** A former Grafton employee? I do not believe so.
1230. **Mr Mitchel McLaughlin:** Well, will you check that as well, because that is my information?
1231. **Mr Stewart:** Of course I will, yes.
1232. **Mr Mitchel McLaughlin:** When the Audit Office shows us that the two departments most closely connected to the lucrative contract for Grafton are the PSNI’s central HR and crime departments, you would say that there may be an issue there that should interest us all.
1233. **Mr Stewart:** I do not accept that at all.
1234. **Mr Mitchel McLaughlin:** OK. If we wait for the information — I am sure that you will come back to us with that — we will be able to draw some conclusions. Thank you for that.



1235. **Chief Constable Baggott:** Forgive me. I do not dispute, in any sense, the right to ask for that information, but it is important in two aspects. The sponsorship of key events in the PSNI is multifaceted. We have a significant number of sponsors who very kindly come forward. It is not, in any shape or form, limited to Grafton. The issue is whether it complies with regularity and propriety in our sponsorship policies. I am very happy to provide a copy of that and examples of where sponsorship has been provided for awards that are matters of concern to the community.
1236. Secondly, in relation to the employment of individuals, the question for me is not so much who they are but whether the practice was open and transparent and whether it conformed with the employment law requirements. It is an understandable question to ask, but unless there is an implication to it, or an accusation, I would like to explore, perhaps privately and confidentially with the Committee, why that question is being asked.
1237. **Mr Mitchel McLaughlin:** I am asking the question because it is also legitimate to ask the question, as you have acknowledged. Although we have acknowledged — properly — the progress that has been made, we have to address the concerns that people have. I am quite happy to wait until then; I did not make any accusation yet. I am waiting on the information, and I will take it from there.
1238. **Chief Constable Baggott:** I am very happy to provide a confidential briefing to the Committee on the role, the process and the job description to give you the full picture.
1239. **Mr Dallat:** Madam Chairperson, I am sure that the Chief Constable is envious of the high levels of detective work that are going on around the table.
1240. **Chief Constable Baggott:** We are going to take lessons.
1241. **Mr Mitchel McLaughlin:** I am actually thinking of retiring from the Assembly.
- [Laughter.] Do I write to Grafton? How do I get in?
1242. **Mr Dallat:** I can see Mitchel being headhunted for the PSNI. [Laughter.]
1243. **Mr Mitchel McLaughlin:** I have been headhunted by better than the PSNI.
1244. **Mr Dallat:** We will stop at that.
1245. One officer who retired was retained for five years in a temporary capacity. You know who we are talking about; I do not want a name, obviously. Five and a half years is inexcusable.
1246. **Chief Constable Baggott:** I have been very clear. Mr Stewart can give some detail on this, but we have tightened significantly justification for not just the post but the timescale required. Those temporary contracts are all under scrutiny. They have end dates where appropriate.
1247. **Mr Stewart:** An example was referred to, as Mr Dallat indicated. It is the one example that relates to my department. On the face of it, it certainly needs explanation; five and a half years is a long time to have somebody temporary. Those are very much exceptional circumstances. I think that about six or seven people fall into that category, and not all of them are ex-police officers. Frankly, it was a matter of convenience at the time, given the pressures that we were under in the department. We had a very complex human resources software system that very few people understood. However, it was required to do the 80,000 moves, recruit people, move people to different departments and record data on the system so that others could benefit from it. That person had, over time, achieved expertise in that area. Therefore, he was retained to enable us to keep servicing that requirement for information on those transfers. He has subsequently left the organisation. We did not engage anybody as an external appointment to replace him because we were reducing numbers. We were able to transfer an IT expert from our internal computing system to fill that post and keep that data running for us.

1248. **Mr Dallat:** That is fine, but you have to think outside the environment in which you are working. I read your CV; you have been fortunate in that you have had a very challenging and interesting career. There are a lot of people leaving university, and there are a lot of people out there who are unemployed. A lot of people who were thrown out of jobs in the Patton Group and places like that have those kinds of skills. Somebody was kept out of that job for five and a half years, and that is wrong.
1249. **Mr Stewart:** I fully understand the point, and the issue of current employment levels is a matter of concern, from the social responsibility point of view, to myself and my colleagues on the command team.
1250. To that extent, we are now at the point of exploring some fairly radical or different approaches whereby we might, as an organisation, be able to give the opportunity to young people at university and so on, who cannot otherwise get a chance, to at least get some job-related skill on their CVs. That is in a broad range of activities from data handling through to business process improvement. So that is something that we are taking a close look at as we speak.
1251. **Mr Dallat:** Chairperson, that is very welcome. A lot of young people will now choose the PSNI for work experience, and that is a very positive thing. It indicates that they are thinking about some kind of career that in some way relates or is allied to the PSNI for the future. That is important.
1252. I have one last question. I qualify this by saying that this was not unique to the PSNI. It was common in the Civil Service and in the teaching profession that people got promoted just before they went out. Have we any statistics on how extensive that practice was? It has been referred to, and it is important to have the facts so that we can learn to avoid such situations in the future where someone is promoted, sometimes to a post that does not even exist, a few weeks or months before they go out.
1253. **Mr Stewart:** I will take Mr Dallat's point, because I fully understand his concerns. I am very confident that there is no indication of people being promoted in our organisation to a post that does not exist. That is my first point.
1254. I also want to address his point about people being promoted shortly before they retire. Michael has already referred to the number of promotion competitions we run, and the high turnover of people. I cannot quite pinpoint the year, but I could look at this and supply the information. Certainly, at some point, I raised a concern about the potential for people to be promoted and then to leave on severance. We put in place a commitment from people, for example, who were going for the role of chief superintendent that, in the event that they were promoted, they would remain with us for a certain period of time. The difficulty with that is that it is not enforceable, but it certainly was a requirement and an undertaking that we sought because we were aware of concerns in that regard.
1255. **Mr Dallat:** I have no other questions, other than to say that I concur with the remarks we made earlier. It is very constructive and it indicates progress that we are able to have a hearing with the police around the table. Any contribution that I have made was intended to be constructive. And, for the future, there was some reference to the unexpected return of violence, and I am sure that we all agree that we do not want that. I wish all the officers, in whatever capacity, every safety every day of the week.
1256. **Chief Constable Baggott:** Thank you.
1257. **Mr Girvan:** I just want to come in on the back of those remarks.
1258. A lot of this has to do with information that basically should have been made available. I wonder, how often was the Policing Board advised of the resourcing matters and how they were being dealt with? Did the board constantly ask about ex-RUC members being re-hired?

1259. **Mr Stewart:** The information about our employment numbers was supplied to board officials, at their request, on a monthly basis. Michael tells me that it was supplied from 2007. There is something else that we developed recently, called the HR dashboard, which demonstrates to board members the various trends in employment. The questions from members, as you will see from the correspondence deposited with the Committee, varied over time. Sometimes it was about civilian workers, and other times, it was about temporary workers. Sometimes it was about the Catholic representation of civilian staff. So, there was a range of questions, and, in fact, the then chair of the human resources committee addressed the situation with temporary workers even in early 2011. We responded to the request as best we could.
1260. **The Chairperson:** Members, do you have any other questions?
1261. **Mr McKay:** In the past week, we got a copy of correspondence between the police and NIPSA. It was between you, Joe, and a Sharon Smyth. Sharon raised the issue of meeting the Policing Board, listing five points. She sent an e-mail about this to you, Joe, to which you responded. I am wee bit concerned about your response. It said:
- "I am disappointed. The risk you run is that this matter is now highly politicised to the disbenefit of PSNI as a whole and that your concern will be manipulated as a consequence. I feel this approach risks undermining the relationship we believed we had with NIPSA."*
1262. Was the human resources relationship with NIPSA conditional on NIPSA's not going to the Policing Board with certain issues?
1263. **Mr Stewart:** No, certainly not. The organisation's relationship with NIPSA over the years has been entirely positive, and it has been recognised in telephone conversations between me and the general secretary of NIPSA that I have been one of NIPSA's strongest supporters over the past seven years by making resources available to it out of my own budget. Those resources would not otherwise have been made available, and it would not have been able to conduct the work. It was important that NIPSA was kept fully advised about the various processes and about the departure from the Civil Service under the links process that Michael was running for us. I think that the difficulty was that the issue was being addressed outside the established negotiating procedures, in that those procedures had not been exhausted. I am named specifically in the negotiation procedures, but I had not been approached on the matter at all. I was concerned that various inaccurate comments were being pedalled in the organisation generally about various persons' contractual competence. It is also clear that I was not far off the mark in saying that misleading statements can lead to political manipulation of the stories. I think that that is fairly obvious.
1264. **Mr McKay:** What, exactly, is the matter that would be highly politicised if the issue were referred to the Policing Board?
1265. **Mr Stewart:** The continued suggestion of a revolving door in the hiring of ex-police officers. I argue that the report indicates that that is not the case.
1266. **Mr McKay:** There is no mention of a revolving door in the initial correspondence.
1267. **Mr Stewart:** Nor would there be, but that is what I was seeking to address.
1268. **Mr McKay:** Surely it was in the Policing Board's interest to meet with NIPSA to discuss the issues in an open and transparent manner.
1269. **Mr Stewart:** I have no doubt that it is in the Policing Board's interests to meet NIPSA, but I also have no doubt that it is important that the events are clearly stated and that the circumstances are clearly set out in an accurate fashion.
1270. **Mr McKay:** You could have corresponded with the board as well to provide that balance.

1271. **Mr Stewart:** I corresponded with the board to make the point that the procedure had not been exhausted and that we did not have the opportunity to address any of those matters.
1272. **Mr McKay:** You said that the concerns would have been “manipulated”. Who was going to manipulate them?
1273. **Mr Stewart:** I think that it is perfectly obvious that the manipulation has been by certain members of the political parties.
1274. **Mr McKay:** Which members of the political parties?
1275. **Mr Stewart:** My main concern is that, very shortly, I will, with the endorsement of the chief and colleagues, recruit more people into the Police Service of Northern Ireland. I want the broadest representation possible from Catholics, republicans and Protestants so that we have the best choice available to serve the public. I am concerned that misstatements are made in such a way that negatively influences young Catholics and nationalists against applying. That is known as the chill factor, and I think that it would be very detrimental. That is my primary concern.
1276. **Mr McKay:** Just to clarify, do you believe that the Policing Board, or political members of the Policing Board, would have manipulated NIPSA's concerns?
1277. **Mr Stewart:** I think that that was my concern, and I think that it is a matter of record.
1278. **Mr Girvan:** Chair, I want to come in on that point. I refer to two press statements, both of which were published, one in the ‘Derry Journal’ and one by a Sinn Féin MP
1279. **One statement said:**
- “When the Policing Board was reformed 15 months ago Sinn Féin gave notice that we would expose the scandal of retiring and rehiring within the PSNI. That’s exactly what we have done.”*
1280. **The ‘Derry Journal’ states:**
- “More will emerge through the Public Accounts Committee”.*
1281. That is printed material. We are going back 15 months. The headline stated:
- “Exposing and closing the PSNI’s revolving door”.*
1282. Therefore, it has been a long-term objective to identify and expose that. Conor Murphy, another MP, is on record saying that he would not advise his daughter to join, yet they allege that it is an old boys’ club. I appreciate that we are saying that we want to put this behind us and move forward. If we want to really get into the detail of a witch-hunt or what is going on, we will see that there is a political agenda. Members round the table play games, and that is what is going on here.
1283. **Mr McKay:** Where this matter is concerned, it is important for NIPSA to have a good relationship with the PSNI and the Policing Board. I think that this is serious, bearing in mind some of the comments that have been made, regardless of whether the PSNI or any other public organisation is involved. If we had this material about other organisations, all parties would have been scrutinising them in the same way that we are. It has been said here that, regarding NIPSA's going to the Policing Board, there are likely to be serious repercussions on the working relationships that the PSNI's human resources team has sought to foster over the past number of years. I think that NIPSA should have the freedom to go the Policing Board about issues of concern or any others that it feels are not being dealt with through the PSNI. I think that that should be the norm moving forward.
1284. **Chief Constable Baggott:** I have three things to say from my perspective. Forgive me; Mr Stewart will speak for himself and justify. First, there is absolutely no reason why NIPSA cannot go to the Policing Board, and I would expect that. I think that it is a legitimate right for them to go to their employer, and there has been no blockage to that. Mr Stewart will give the context of that letter, which was probably more about the process, and also about whether negotiations have been exhausted.

1285. Secondly, the correspondence was given over voluntarily by Mr Stewart by consent. I think that I need to say that. As regards the other individual, there is probably some legal uncertainty about whether that was relevant, but, actually, it was given over by consent, and I would like the Public Accounts Committee to acknowledge that.
1286. Thirdly, one of the reasons why I am very grateful for the return is that, in a completely apolitical way, this matter has been significantly debated in the media. That is a reality, but a lot of that debate has been highly emotive. That, again, is not a political point; it is the reality. I am grateful, because I think that the issues for me, which are entirely right, are regularity and propriety, value for money and whether there was a balance of risk and opportunity. That is exactly what we are required to do.
1287. Some of the issues that were raised very quickly in the media were done so on the basis of insufficient facts and insufficient scrutiny, but that is entirely what this process should be about. I have welcomed the process, and I know that colleagues have as well.
1288. The final thing on that correspondence is that, as you have seen, I wrote to the Policing Board on the back of some very public media statements and invited the Policing Board to conduct an investigation. It has declined to do so. That is my legal requirement, and that was what was complied with to the letter. So, where due process and anything coming out of that are concerned, there has been scrutiny and an invitation for scrutiny that, the decision having been made, was not taken up. I do not make a judgement on that at all. However, it was laid before the Policing Board as a relevant issue.
1289. **The Chairperson:** Deputy Chair, are you OK?
1290. **Mr Dallat:** Please do not encourage me.
1291. **The Chairperson:** Just before we wrap up, I will say that I asked about the breakdown of gender for those who have been rehired. The PSNI's response was that it was not practical to give that information on gender breakdown in the time available. Grafton provided us with some information for the years between 2002 and 2012. We also have workforce composition figures that were given to us, but I am just concerned that they date from 2005. I will go back to gender, as well as to the composition of community background and ethnicity. It concerns me that the information is dated for 2005. Do you hold a more up-to-date figure for workforce composition?
1292. **Mr Stewart:** Our composition figures are updated every year in accordance with the legislative requirements under the Equality Commission. If you let us contact the Committee Clerk, we will see what was provided to you, because the information is up to date on those whom we employ.
1293. **The Chairperson:** Could we have that information? The information that was provided states that you do not undertake any routine analysis of the gender of temporary workers. Is that something that you are going to look at so that you can seek to change it?
1294. **Mr Stewart:** At the outset of my evidence, I referred to conversations that we have had with the Equality Commission. I think that, subject to its advice, we will have much more proactive engagement in that with all our contractors. As a result of conversations that we have had in the Policing Board and for the new contracts that we have entered into, I would say that we are being quite intrusive, as my staff are going in and looking at the operation of the organisation that is contracting with us and looking at its employment policies. We have no legal right to do so, but we are putting that into the contracts and expecting any contractor to comply with it. That will mean that we will be much more au fait with its process. I think that we now have a greater appreciation of the broader community impact of those matters, and we will be taking that forward.
1295. **The Chairperson:** That has to be welcomed. Members, are there no other

- questions? This has been a necessary session. I appreciate, Mr Baggott, that you have come back again for a second bite of the cherry. As you know, the Department and the PSNI have to ensure that public expenditure is proper and regular, that it is managed and that it can be justified in an open and transparent manner to this Committee, the Policing Board and the wider public. The C&AG's report tells us that £100 million has been spent on hiring agency staff since 2002, that 39% of all agency staff over the past 10 years have been included in the report and that 75% of agency staff currently on the books are former officers who had retired under PSNI severance schemes. From what I heard today, it seems that the recruitment does not appear to have been carried out with the aim of having a rigorous programme of civilianisation of jobs. Having taken evidence from you, the Committee will consider what we have heard today and report back in due course. Indeed, we will be seeking the outstanding information that has been requested but that could not be provided here today.
1296. **Mr McQuillan:** Chair, I think that it is important to stress that what you are saying is your opinion, not the opinion of the Committee as a whole. Is it fair to say that?
1297. **The Chairperson:** Yes. As Chair of the Committee —
1298. **Mr McQuillan:** You are not speaking on behalf of the Committee; you are speaking on behalf of yourself.
1299. **The Chairperson:** Absolutely.
1300. **Mr Anderson:** Can we reflect on those figures that you were talking about?
1301. **The Chairperson:** Some 75% of the agency staff that are currently on the books are former officers.
1302. **Mr Anderson:** Is that true?
1303. **The Chairperson:** That is in the Audit Office's report.
1304. **Mr Anderson:** It is 61%.
1305. **Chief Constable Baggott:** The issue is the justification for that. The numbers have significantly reduced, the governance has increased, and, as the report states, there is a case to be made for the return, on a limited basis, of former officers for specific roles. The majority of those roles relate to the increased security threat and to the extra money that the Executive and other sources provide to meet that threat.
1306. **Mr Anderson:** I thank the Chief Constable for clarifying that and the reasons for it.
1307. **The Chairperson:** I think that that is why the Committee had to look at it. I think that I can speak on behalf of the Committee in saying that we will consider the information that we heard here today, and we will report back in due course.
1308. **Chief Constable Baggott:** On behalf of my team, I thank you for the thorough scrutiny that the Committee applied. I think that it is very necessary and timely, and it will provide an objective analysis, particularly as we enter into next year's budget constraints. It is very important that we have done this, so, on behalf of my colleagues in the PSNI, I thank the Committee very much.
1309. **The Chairperson:** I thank the witnesses, the C&AG, who is here with his audit team today, as well as the staff from Hansard.





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Belfast: The Stationery Office

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Printed in Northern Ireland by The Stationery Office Limited

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ISBN 978-0-339-60518-3



9 780339 605183