



Northern Ireland  
Assembly

Public Accounts Committee

# OFFICIAL REPORT (Hansard)

Police Service of Northern Ireland:  
Use of Agency Staff

10 April 2013



assurance of best practice in public procurement. That was a lot of the work that came out of some of the Committee's earlier concerns, particularly around centres of procurement excellence (COPEs). It was about improving the flow of information and the governance of COPEs.

The structure is that all procurement in Departments should go through a COPE. COPEs are required to provide an annual assessment to CPD of compliance in their Department. CPD is then meant to report the analysis of that compliance to the procurement board. That is the route: it is identified by the centre of procurement excellence, reported to CPD and then reflected to the procurement board. That has been in place since November 2011 and comes from the Committee's earlier work on and concerns about COPEs.

The second issue raised in the Chairperson's letter relates to off-payroll arrangements. That issue arose during the evidence sessions with the PSNI. The concern here was reflected in Whitehall, where it emerged that the chief executive of the Student Loans Company and some senior Whitehall officials were having their salaries channelled not through PAYE but through personal service companies, which gave them tax benefits. In line with the work undertaken in Whitehall, we carried out an exercise here to identify anyone in a public appointment or public employees who were not processing their salaries directly through the PAYE system. We found that all employees are going through the PAYE system. However, we discovered quite a significant number of other post holders who were not, and, as we advised the Committee in a file of correspondence that I submitted, all information on those individuals has now been sent to HM Revenue and Customs for resolution.

That said, most of those who were reported to us were employees of employment agencies or recruitment companies, or they were, for example, self-employed doctors or dentists who were doing sessions for medical tribunals and the like. Therefore, they were in recognised and established self-employment arrangements.

In a subsequent letter, the Chair asked what arrangements we had in place across Departments now to deal with the issue. I advised that CPD in particular has strengthened its contract documentation to require all suppliers to be compliant with their statutory responsibilities. That also allows us — particularly if we are concerned that they do not meet their obligations in respect of taxes — to exclude them from consideration for public contracts. GB is continuing to strengthen its regulations in this area, in that it now seeks to introduce new rules that will require all suppliers, during the selection phase for all government contracts, to confirm that they are in compliance with tax rules. Since we try to keep pace with the procurement position in Westminster, we will match those changes as they come through.

Those are the two issues specifically related to that piece of correspondence.

**The Chairperson:** Thank you for that, Fiona, and for the detailed correspondence that you have given to the Committee. In your letter of 6 February you set out the Central Procurement Directorate's position regarding advice provided to the PSNI. Your letter states that on 3 November 2008, the NIO's procurement unit merged with CPD, and it was agreed that, prior to that, CPD would not be responsible for any contract decision.

**Ms Hamill:** For any legacy, yes. It would not have been responsible for the decisions but would continue to run live contracts. It was not to take on historical responsibility.

**The Chairperson:** Who agreed that, and was it done formally in writing?

**Ms Hamill:** Yes. It was part of the arrangements in the service level agreement reached between CPD and the Department of Justice, under the whole devolution scheme, not just for the PSNI but for all elements of the Department of Justice.

**The Chairperson:** The PSNI wrote to the Committee to disagree with the Treasury Officer of Accounts perspective on the advice that it was given by CPD. Do you want to comment on that, Fiona? Do you have that information to hand?

**Ms Hamill:** I will do so very briefly, Chair. I have seen the PSNI's response, which seems to be around the transfer of individual members of staff between organisations. I am not sure that it does anything more than set out that there is a clear dispute between CPD and the PSNI about the interpretation of specific events. If there are further questions, once the Committee has considered further the totality of the information, I will be happy to take them on. At this stage, however, I do not

want to get into a debate on each point in the letter. However, if the Committee wishes me to do that at some point in future, I will.

**The Chairperson:** OK. That would be helpful. You mentioned the mechanisms to report this to the procurement board. Do you want to go over again what has been in place since November 2011?

**Ms Hamill:** We start with the principle that all procurement should be carried out through a centre of procurement excellence. All COPEs are required to provide an assessment of compliance to CPD annually and, internally in their organisations, to alert their accounting officer of any non-compliance that may emerge. It is those compliance reports that CPD will consider and, as necessary, bring to the attention of the procurement board if specific issues emerge.

**Mr Clarke:** This is not a reflection on the Committee staff, but to receive the letter after Fiona has given us a briefing on it makes it virtually impossible for us to keep up with what she is saying, digest what is in this and give it a fair hearing.

**The Chairperson:** I appreciate that.

**Mr Clarke:** It has been unfair because we cannot give this a fair hearing. I mean no disrespect to the Committee staff, because I notice that the letter is dated 9 April. However, the failure to get it to the Committee in time in order to give us due and timely notice to read, understand and compare it with other stuff that we already have puts most of us at a disadvantage. I appreciate that, as Chairperson, you had sight of the letter beforehand, but members are at a disadvantage because we cannot scrutinise it in its entirety.

**Mr McKay:** Although I want to scrutinise and ask questions, I do not think that we should make decisions on the back of today; we should wait until next week or further down the line.

**The Committee Clerk:** Business with Fiona was already scheduled for today, so I asked her to give an accelerated response to these couple of questions so that members could continue to work on. Therefore, she was given a deadline of yesterday for this letter.

**The Chairperson:** I appreciate that you are just getting sight of the information, as there were problems with the printer. Do we want to park this?

**Mr Clarke:** I think so.

**Ms Hamill:** I am happy to come back once the Committee has had a look at it.

**The Chairperson:** As I say, there is a great deal of information, and there is correspondence there from the PSNI. I suppose that it is only fair that members get sight of what is front of them and have time to digest it.

**Mr McKay:** It may be useful to ask members whether they have a couple of questions now and then consider this further. That would help to inform our understanding of the papers once we read them.

**The Committee Clerk:** Most of the papers were in the pack that members received.

**Mr Clarke:** They may have been, but I have had a quick flick through them, and the point that I made a fortnight ago was that the Hansard report of where Fiona had given evidence on that day was not there to compare the responses then and now. We do not have the two things to put the whole thing together to try to capture the whole picture. This is not about trying to catch anyone out. If we are going to make an issue about anything, we need the full facts so that we can digest and scrutinise the whole thing. If we are in absence of the full facts, we are not giving this the proper hearing that it should be given.

**The Chairperson:** Are members agreed that we park it, consider it and come back to it?

*Members indicated assent.*

**The Chairperson:** Thank you, Fiona.

We have also received a response from the PSNI to the Committee's letter of 1 February, and I propose that we consider that correspondence in closed session. Are members agreed?

*Members indicated assent.*