Northern Ireland Assembly

Public Accounts Committee

OFFICIAL REPORT (Hansard)

NIAO Reports: ‘The Future Impact of Borrowing and Private Finance Commitments’ and ‘Belfast Metropolitan College's Titanic Quarter PPP Project'

11 June 2014

NORTHERN IRELAND ASSEMBLY

Public Accounts Committee

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Members present for all or part of the proceedings:
Mr John Dallat (Deputy Chairperson)
Mr Michael Copeland
Mr Alex Easton
Mr Paul Girvan
Mr Chris Hazzard
Mr Ross Hussey
Mr Daithí McKay
Mr Seán Rogers

Witnesses:

Mr Mike Brennan	Department of Finance and Personnel
Mr Stephen Peover	Department of Finance and Personnel
Dr Mark Browne	Office of the First Minister and deputy First Minister
Mr Brett Hannam	Strategic Investment Board

In attendance:

Mr Kieran Donnelly	Comptroller and Auditor General
Mr Jack Layberry	Treasury Officer of Accounts

The Deputy Chairperson: With us for the first time in his new role as Treasury Officer of Accounts (TOA) is Mr Jack Layberry. Jack, on behalf of the Committee, I welcome you. I wish you every success as TOA and look forward to working with you.

Mr Jack Layberry (Treasury Officer of Accounts): Thank you.

The Deputy Chairperson: We also have Dr Mark Browne and Mr Stephen Peover, the accounting officers for OFMDFM and DFP respectively. Also in attendance are Brett Hannam, the chief executive of the Strategic Investment Board; and Mike Brennan, the budget director of DFP. Thank you for joining us. You are very welcome to the Committee. Members, you will find biographies for all the witnesses on pages 13 and 16 of your electronic packs — not that, I am sure, you will need to refer to them.

The Audit Office previously reported on the lack of transparency around these commitments. Why does there continue to be a lack of transparency in relation to the PFI and reinvestment and reform initiative (RRI) reporting arrangements to the Assembly and its Committees?

Dr Mark Browne (Office of the First Minister and deputy First Minister): Chair, perhaps I will start off by responding to the question. There are a number of things that we do to make information on PFI available to the Assembly and Ministers. The investment strategy for Northern Ireland (ISNI) contains an estimate of the amount of alternative or private finance that will be used over the period, in that case to 2021. That is debated in the Assembly and goes out for public consultation. In addition, OFMDFM collects information and makes it available on the Treasury's website, which is open to the public. That sets out in detail all the information on every individual PFI contract and includes a range of information, including the start date, the end date, the unitary charges that are paid each year and those contractors that have an equity interest in the project. That is available on the Treasury's website. An annual update on the investment strategy is also provided to the Assembly. That deals with projects that have been taken forward and projects that are coming in the future. That also includes reference to alternative finance or PFI. There are a range of ways in which information is provided, but we accept that the report identified that there could be an opportunity to make that information more widely available.

From an OFMDFM perspective, we have been looking at the information that is provided on the Treasury's website. We intend to take the Northern Ireland projects that are detailed there and make that information available on the OFMDFM website so that that is more readily accessible to the Assembly and others.

The Deputy Chairperson: Maybe I could refer to the website. According to the website you have just mentioned, there are only three PFIs in operation in NI, costing approximately £60 million. That is significantly lower than the figures that were reported in the Audit Office report. Clearly there has been a breakdown in the system for recording PFI information on Her Majesty's Treasury's database. Please explain what went wrong and why incorrect information was provided in response to an Assembly question.

Dr Browne: I am not sure about the response to the Assembly question, but I was on the website this morning and there were many more than four or five — I cannot remember the figure you gave. Some 35 projects were listed as under way. There are different elements to that website, and I do not know whether someone has looked at a different part of it, but certainly that information is there and is available for those projects. I checked it myself only this morning.

The Deputy Chairperson: I am sure that members will take you up on that. I hope that you were not just on that website this morning before you came to the meeting and that it is checked regularly.

Dr Browne: My staff check it regularly. I personally went into it this morning to look through the detail in anticipation of some questions that might come up.

The Deputy Chairperson: Perhaps it might be appropriate at this stage to put into context what we are talking about. When we speak about billions and billions of pounds, we are well above the heads of the ordinary taxpayers and ratepayers who contribute generously. The Audit Office report shows annual costs of £250 million for PFI contracts that have committed the Executive to over £7 billion in future years. While members are worried about welfare reform and all sorts of things, that is a horrendous figure. Reinvestment and reform initiative borrowings cost £100 million each year, and estimated interest of £1·3 billion in future years. I would have thought that that must be really scary for future generations. This is the first time that we have seen the figures. Do you not think that they should be more transparent to us as elected representatives?

Dr Browne: I will make a few comments on the PFIs and Stephen may want to say something about the RRIs.

The Deputy Chairperson: I must insist that I get a direct answer to the question I have just put to you.

Dr Browne: The information on the amount of money that is spent on the projects is on the Her Majesty's Treasury (HMT) database, which OFMDFM collects for all the Northern Ireland Departments. The information is there for every project and it sets out the unitary charge for every year, right beyond the life of the projects.

The numbers are large because they are the amounts that will be spent over the next 25 or 30 years. It would be a little like taking all your mortgage payments and multiplying them up into one lump sum and looking at how much you might have to spend on it over the next number of years. You will inevitably get a very large figure when you take amounts for a long period ahead and roll them up into a single figure. That is why the figure appears to be large.

The key point to make is that all the projects have been subject to business cases, and all those business cases have demonstrated that the PFI approach demonstrated value for money when compared with the conventional option. While the figures may be large when taken over that long period, the projects have nevertheless been demonstrated to be value for money through the business case process.

The Deputy Chairperson: So really, Dr Browne, you are telling me that you are open and transparent, that everything is in place and that there is really no reason for complaining about the accountability and transparency of the process to the Northern Ireland Assembly.

Dr Browne: I am saying that information is available in a variety of forms. I think that information in response to the report and the comments that are being made could be better signposted so that members can get information more quickly when they have an interest in this area. That is something that we will look at. I have already indicated that we will be putting the relevant Northern Ireland information on the OFMDFM website, and we will put a link to the SIB website and make sure that, when someone is looking for that kind of information on a project, it is available readily.

The Deputy Chairperson: Dr Browne, just to get it clear for the record, we are not now totally dependent on a website for information to the Northern Ireland Assembly on how much debt has been accumulated for the next 30 years for future generations.

Dr Browne: The information on individual projects is on the website; the information on PFI is contained in each departmental account. There is also information on RRI and the various borrowings in the public information and expenditure account.

The Deputy Chairperson: I will stop you there and give you a wee bit of history. In a response from OFMDFM to one of the Committee's questions in relation to the original reinvestment and reform initiative report back in 2008, it was stated that Ministers were:

> *"considering options for reporting PFI commitments to the Assembly."*

According to the C&AG's report, there is still no central collection of PFI costs and commitments, or dissemination directly to Northern Ireland. What options, if any, have been proposed by your Department for consideration by Ministers? What was the outcome of those considerations? We have already heard about your website; please, elaborate beyond that.

Dr Browne: The main source for PFI, at a high level, is the investment strategy, which sets out the amount of funding that we have put towards investment over the longer term and, within that, gives an indication of the amount of private expenditure that is planned, according to the seven pillars and by Departments. That gives the broad, high-level amount. Information on the detailed amount of every project is provided by the individual website. I have indicated that we will seek to improve the signposting of that. Reporting on PFI is also available in individual departmental accounts. So, the information is there, but perhaps it is not gathered in one place or signposted as well as it might be for members to get the information that they require. We are happy to look at how we can better signpost in that regard.

The Deputy Chairperson: We will move on now to questions from individual members.

Mr Girvan: Chair, I appreciate that you have taken it down a route, but I want to go back to the reporting mechanism. Paragraph 2.10 of the report mentions the Budget review group having sight of a lot of this information, but it has not necessarily reported that through. Do you not think that it is important that that be reported through to the Committees that it is going to impact upon? Some Departments are making spend and allocating their money, and some are not totally across what PFI contracts they are already committed to out of their budgets. Yesterday, we went through an exercise on the Budget and dealing with the Budget for the next year. It is difficult to extrapolate some of the detail of the PFI commitments within the headings that appear. Maybe that is easily explained, but it did not appear to be easy to pull out where those commitments are put and what headings they are put under within that Budget process. Would there be merit in having a reporting mechanism to ensure that Committees and the Assembly are made aware of all of the commitments that are put into PFI contracts?

Dr Browne: The Budget review group is a subgroup of the Executive. Many of the issues that it considers are classified as policy in confidence. It would not be appropriate for the detail of all of those papers to be made available. As I said, the reporting that there is around PFI relates to the ISNI, when it is first developed. An annual update is provided on the investment strategy, there will be six-monthly updates to the OFMDFM Committee, and the individual information that I referred to is on the website. I think that more can be done to make it apparent where that information is available. There is also information in individual departmental accounts, which Committees have access to.

Mr Girvan: Yes, each Committee has access to its own departmental accounts, though when it comes through to DFP, we get headings. I appreciate that we cannot, perhaps, go down into the minutiae of the detail, but I do not necessarily buy into the idea that there are contractual details that should not — we are living in an environment where openness and transparency is the whole way forward. Some of the PFI contracts that we have may have been going for a number of years. What mechanism is there to review those contracts and ensure that we are getting value for money for them?

I appreciate that, next week, we will probably be focusing on what we deem to be, maybe, not great practice in some of the PFI contracts, and there are some where there have been glaring areas where we think they were not right. That is maybe our interpretation of that; we will wait to see how it comes forward and what it bears out. Is there a mechanism to ensure that we are continuing to get value for money from contracts where buildings are not necessarily being used for the purpose that they were and, as a consequence, there is not the same detail required in those contracts? Have adjustments been made to ensure that the public purse is not paying for something that we do not necessarily need, or is there flexibility within the contract to allow that to happen? Sometimes, if I were in the private sector delivering some of those projects, I would be quite happy to be sure that the contract was not written in a way where there was going to be wriggle room, because, whether or not a Department is occupying the building, I would receive the money for the next 25 years. At the end of that term, whether it comes back to me or goes into the public purse is another point. That is just by the way; maybe you could go into that point at the start.

Dr Browne: The whole issue of effective contract management is a very important one because of the length of the agreements that there are under PFI. In this respect, the key responsibility for contract management lies with the accountable Department which owns the contract and has signed the contract. That Department is responsible for the review of the contract and for ensuring that they continue to get value for money. They are best placed; they know the area, the sector they are in and how the contract was negotiated. However, there are important sources of advice to Departments, and they are provided through the Strategic Investment Board. As part of the learning that has been built into this process over time, the Strategic Investment Board has developed a standard operating contract which is applied to all PFI contracts. There is also a gateway process that all Departments go through before they carry on through the contract, to make sure that they are ready and they have the proper project management skills to take it forward.

The standard contract that I referred to, which is sometimes called SoPCNI (standardisation of PFI contracts Northern Ireland), has built into it a five-year review of the soft services that are provided within the contract. If circumstances or costs change, there is an opportunity there for a review of the contract. However, we recognise that more can be done in this area. The asset management unit has already been working with some Departments. There is an example in the report of some work that was done with Invest NI on a review of the contract. So, some work has already been ongoing there.

The report makes a recommendation that SIB and OFMDFM should work with Departments to provide a common approach, so that Departments can review their contracts. The First Minister and deputy First Minister have accepted that recommendation and have written to SIB asking it to work with Departments in this area to provide consistent support and guidance in taking forward the review of contracts. That is one that SIB will be taking forward.

Mr Girvan: I appreciate your openness on that point. You alluded to the fact that a five-year review is included on every contract. That five-year review should be quite detailed, because we all have leases on properties, one way or another, and we know that people sometimes miss their negotiating date. As a consequence of missing your negotiating date, you are held over a barrel for it. Are those reviews happening on time, and do they always deliver savings?

Dr Browne: If you do not mind, I will hand over to Brett from the SIB for the detail of this, because he will have that detailed knowledge.

Mr Girvan: You said that through OFMDFM, the First Minister and deputy First Minister have sent direction for help to be given. Do Departments have the expertise within them to — what way should I put it? — be able to negotiate against what are some very sharp practices within the private sector to ensure that they are getting a very good deal and the public sector is not necessarily getting as good a deal?

Mr Brett Hannam (Strategic Investment Board): As Mark said, the responsibility for managing contracts on a day-to-day basis lies with the Departments. They would not wait for five years if there was a problem with a contract. They would step in and deal with any issues that arose as they arose. However, at the five-year point, the contracts will always allow for a periodic review and benchmarking of services to ensure that the public purse is getting what it has paid for in terms of the best deal available at that time. In carrying out that work, individual Departments can call upon the Central Procurement Directorate to provide them with day-to-day advice on contract management issues.

The report has suggested that in addition to that regime, the Strategic Investment Board should work with Departments to provide specialist support for more structured and detailed reviews that would bring in legal, technical and financial experts to work with Departments to determine whether there are further opportunities for savings that go beyond the scope of those five-year reviews. I would be happy to go through how that might be taken forward.

The reviews that take place periodically do deliver savings. One of the most important of those was one of the water PFIs, where what is known as a prudent operator review took place and some £11 million of savings were delivered by insisting that the operator performed in a particular way that benefited the public to the utmost extent.

Mr Girvan: Was that in one contract or many?

Mr Hannam: Mike would have the detail on that, but I believe it was two contracts.

Mr Girvan: So on two contracts there was £11 million of overcharging that could potentially have been there had they not been renegotiated?

Mr Hannam: Certainly, if the people managing the contract had not taken that action, it would have been lost, but the point I am trying to make is that the contract managers are alive to that.

You also asked whether we thought the operating Departments had the skills, knowledge and experience necessary to manage these contracts properly. That assessment is made at the point before the contract is signed when projects go through a gateway review, one element of which is to assess the Department's capacity and capability in this specific field. Unless that can be demonstrated, the project will not go forward.

Mr Girvan: I appreciate —

The Deputy Chairperson: I want to bring in Seán just for a minute.

Mr Girvan: Yes, that is OK.

Mr Rogers: It is just a small point but, I think, a very important point. You mention "review" very often, but very few of these reviews were full contract reviews, as the report states on page 23. Not only that, but frequently savings were identified but not quantified. There is a difference between a review and a full contract review, which I think is very important. The report states:

> *"there have been little or no significant changes to the services or assets provided since contract signature".*

Can you please identify this review and a full review? Why were there so few full contract reviews?

Mr Hannam: I cannot speak for Departments, because I simply do not know the arrangements that they have entered into or the details of the reviews that they have carried out. The survey carried out by the Audit Office provides the data to which I think you are referring. What OFMDFM has done since then is to write to all the Departments that contributed to that survey, in order better to understand those issues that they raised. That process is ongoing. OFMDFM is taking the data and collating it, and those are the very issues it will be exploring.

The Deputy Chairperson: Before I go back to Paul, I am sure members would be keen to know what has happened since the issue was first ventilated in 2008. Today, we hear of the role of the Strategic Investment Board, but, even at this stage, you are communicating only with some Departments. Have you been sitting on your hands, daydreaming, for the last six years? What has been happening?

Mr Hannam: No, the Audit Office raised the possibility of SIB being asked to work in this area.

The Deputy Chairperson: Did you take it seriously?

Mr Hannam: Prior to that, we were not asked to work in this area, and, as I am sure you are aware, SIB works only where it is invited to by Departments. We were not given this responsibility; as Mark and I set out earlier, the responsibility rests with Departments in the first instance. They are able to call upon specialist support from Central Procurement Directorate on contract management issues when they want to. This is a new initiative, suggested by the Audit Office, that SIB should become involved. If you would find it useful, I could talk you through what SIB has done since that was suggested and explain a little bit about how we propose to take this forward.

The Deputy Chairperson: I will go back to Paul. Go ahead.

Mr Girvan: In relation to the contracts, I, for one, having been involved in many contracts in the past, know how you can be caught up in quite a bit of detail and miss specific points. It is the transparency of the whole process. When it is public money, I think there is a necessity for us to be across all of the detail. I am not always sure. This is probably the wrong question to ask, but I will ask it anyway: do we believe that we have got value for money from the PFI or PPP contracts, or whatever term you want to use for revenue-funded investment, that we have gone forward with? Could we have made Treasury borrowings, delivered those projects and got better value for the public purse? Could we have gone through that mechanism, as opposed to going down the route of some people getting very wealthy on the back of the public purse and delivering buildings that the public are sold into for generations?

Dr Browne: The key aspect for every project, regardless of whether it is PFI or conventional procurement, is that they have to have a business case. Those that are thinking of going down the PFI route must specifically include within that the option of conventional procurement. That business case will look at the whole-life costs, the services that are being provided and whether they are fit for purpose, and the economic and social benefits. Based on that assessment, it will be determined whether the project is value for money. Only those projects that are value for money are signed off by the Minister and DFP and are then able to go forward. So, the guarantee around these projects being value for money relates to the business case process.

Mr Girvan: That is a question that I wanted to get a wee bit of guidance on, because, if I were delivering something, I would be expecting to get something out of it. The business case must stack up. These are for capital projects, primarily, so you are going to need a building. You have made the business case that you need that. The fact is that it is about the mechanism for delivery of the hardware and, maybe, the maintenance of it during its life. If a private contractor can still make money out of that, why can the public sector not do the same, but, instead of making money out of it, make savings, because it does not have to pay the same amount? Looking at it solely as a businessman, that is my attitude. I would be very hard-nosed in relation to trying to do a deal that was going to give me the best deal. I think that some of these have given opportunities to some people to do very well. We might look at some of those later to see where the same names seem to appear in various ways. Have you ever looked across all of the 35 projects, or however many there are, to see if there is a common thread, such as the same individual forming a shelf company, or whatever? A number of them actually form three or four companies for the delivery of the same thing, and all the companies have directors. The same names appear right through them, and sometimes the same contractors are used to deliver on many of them. Have you looked across that to see where the commonalities are and whether we are being hoodwinked by some very shrewd individuals in the private sector?

Dr Browne: I will pick up the first part of the question, and Brett can pick up the second. We have to remind ourselves that while, of course, there is a profit element in PFI contracts — no one would undertake a contract if there was not — the key thing is that there has to be a benefit to those undertaking the contract and those receiving the outcome. So it has to be a contract that works for the public sector and the private sector.

The second point is that, if we do not use PFI, the other route is conventional procurement. The conventional route still involves a profit for the capital build. Otherwise, again, the contractor would not build it. So there is a profit there and a cost in running the service over the 25 or 30 years, and that would have to come from the public sector.

We have to compare all the costs on one side with all the costs on the other. That is done explicitly in the business case through a comparison of the PFI and the conventional operator. That looks at what the best value is for the public and takes account of the full cost — the whole life cost — for both approaches over the period. If it does not demonstrate that the PFI route is the most effective, PFI cannot be substantiated.

That comparison has been tested. As I said, it is important in all of these cases that we do not focus too much on one aspect of the private element and ignore some of the other costs that occur in a different route. We need to compare like with like, and that is what the business case seeks to do. Brett, maybe you could pick up on the extent to which there are companies with expertise in this area that have been successful in winning contracts.

Mr Girvan: Just before Brett comes in on that, your answer has opened up another question in my mind on public value for money. I am not always so sure that we have the expertise to make sure that we get value for money.

If, for example, you go out to tender for an office block, you might get an estimate of, say, £5 million. You might look at doing that under PFI. A private developer can deliver the same building, but it costs him only £3 million. You ask why an extra £2 million was factored in when the contract was tendered under a public procurement procedure. That could make the difference between a project being viable or not, and it could make the decision of not going down this route a lot easier.

I am not always sure that we get value for money for the public purse. If a council is delivering a project, we always hear that somebody else could have done it for half the price. I have heard that many times, so you wonder whether we always get value for those contracts when we look at the comparison. Do we get the same? Is it like for like, or can a private sector guy do it for half the price?

Dr Browne: There are two aspects to that question. One is whether we get better value for money by the route that we choose. In the business case and the comparison of the different routes, we will identify that one route is better value than another. The route chosen should be the better value of the available routes.

I think that you went beyond that to ask another question, which is whether, in whatever route we pick, we get the best possible value for money. That is a more difficult question to answer, and I think that I will let Brett come in and give some perspective on that. However, we developed the contracts, and we built in aspects such as profit sharing when there are excess profits and five-year reviews of contracts. All that learning is being built into the process and made available to Departments as they take forward further PFI projects.

It is very difficult to say whether every project is the best value. Can we say that we are getting the best of the offers before us? Yes. Can we say that we are getting better? The process is certainly improving.

Brett, I do not know whether you have anything that you want to add to that.

Mr Hannam: The key issue is the competitive nature of the procurements. Whether they are conventional or PFI, there is a competitive element, which drives out value. If the public sector went out to tender without that competitive element, your point would be absolutely right: there would be no way of demonstrating that the office block to which you referred was being built at the most competitive price. However, because there are a number of bidders competing for the business, that competition drives out value.

The Deputy Chairperson: Brett, I am not sure whether I cut you off earlier when you were, perhaps, going on to explain the new interaction with the Strategic Investment Board. Was there something more that you wanted to say about that?

Mr Hannam: I offered to explain the actions taken in response to the recommendation in the Audit Office report that the SIB, with DFP and OFMDFM, look at a programme of structured reviews of operational PFIs.

The Deputy Chairperson: It is intriguing that the inspiration for that was not present in the Department. You are not washing machines that need to be programmed. Surely somebody should have seen that without a prompt from the Audit Office.

Mr Hannam: As Mark said earlier, and I reiterated, responsibility for the contract management of PFIs rests with Departments. It is for them to assess the quality of that management and whether they need additional help from CPD or anyone else. They would, I believe, not welcome interference in that because they are accountable to their respective Committee and to this Committee for the management of those contracts.

The Audit Office suggested that, if Departments thought it useful, they could work with us to carry out those reviews, and we have taken action to make sure that we are in a position to do that.

The Deputy Chairperson: I think that a concern among members might be that we should not have to wait for another Audit Office report for future inspiration. These things should be dealt with in an open and transparent way, whereby the taxpayer continues to get best value for money.

Dr Browne: Another point is that the case study in the report — the INI case study — predates the NIAO recommendation. That was one in which the asset management unit in SIB was working with the Department, at the Department's request, on looking at the contract. That service was available and was taken up in some instances.

What we are saying is that, in light of the recommendation from the Audit Office, there will be a more coordinated approach. The availability of advice will be extended and publicised, and Departments will be encouraged to take it up.

Brett is quite right: at the end of the day, the Departments are accountable. They have to demonstrate that they are getting the best value out of the contracts. SIB and OFMDFM can make these services available, and we will make them available in response to the NIAO recommendation.

Mr Easton: Rather than squeezing every penny out of the contract, there appears to be a focus on getting PFI deals done and then hoping that they run their course over the next 25 to 30 years. In 2011, HM Treasury issued draft best practice guidance on four areas in which there was the potential to achieve savings. Why did DFP not circulate that to everybody?

Mr Stephen Peover (Department of Finance and Personnel): Under devolution, HM Treasury guidance does not directly apply to Northern Ireland. This is now a devolved matter. We made the guidance available: it was included as part of the green book assessment arrangements and was accessible to Departments. Treasury guidance is just that: it is advisory and it is guidance; it is not a directive.

Mr Easton: I know, but was it not good advice?

Mr Peover: It was, yes.

Mr Easton: So should it not have been passed on to other people?

Mr Peover: It was passed on.

Mr Mike Brennan (Department of Finance and Personnel): It was made available to all Departments through the "What's New?" page of the 'Northern Ireland Guide to Expenditure Appraisal and Evaluation', so all finance directors were made aware of it.

The other important thing to know is that Treasury guidance changed the next year. In December 2012, Treasury fundamentally changed the PFI appraisal guidance. DFP issued notes to Departments and put forward its own new appraisal processes.

Mr Easton: So the HM Treasury guidance has now been passed on to all Departments.

Mr Brennan: That guidance was passed on to all Departments at that time but is no longer relevant. In fact, on 20 December 2012, Treasury said that it would shortly circulate new PFI guidance on its value for money (VFM) quantitative model. It said that it would be out in early 2013, but it still has not been produced, so the DFP guidance determines PFI and affordability judgements in NI Departments.

Mr Easton: In the context of recent drives for efficiency savings in public spending, can you tell me why there has been a lack of progress in applying this guidance? I know that it does not apply here, but you have acknowledged already that it is good, so why have we not applied it here? Are we looking for those savings?

Mr Brennan: Sorry, do you mean efficiencies in PFI contracts?

Mr Easton: Yes.

Mr Brennan: As Mark and Brett said, there is already an ongoing process of driving out efficiencies in PFI contracts: for example, the work that the asset management unit already does in some Departments generates savings. You are aware of the Invest NI Bedford Street development, but a number of other projects are under way as part of the Executive's asset management strategy, which will drive out those efficiencies.

Mr Easton: Yes, it is under way now, but for how long have some of these PFI schemes been going on without that happening?

Mr Peover: We are talking about a number of processes. There is the opportunity to benchmark the costs of the soft services that go with PFI contracts as part of the ongoing process of contract management, and that would happen naturally anyway.

Mr Easton: Have you issued any guidance on PFI schemes?

Mr Peover: Recent guidance?

Mr Brennan: Our most recent guidance was issued on 20 December 2012, which set aside the Treasury guidance.

Mr Easton: So you are using the Treasury guidance.

Mr Brennan: No, we are setting it aside and going back to the standard green book appraisal process.

Mr Easton: Before that, did OFMDFM and DFP not issue guidance?

Mr Brennan: Regular guidance was issued.

Mr Easton: HM Treasury created a programme team for PFI projects on the basis of the potential to achieve £1·5 billion in savings — is that right?

Mr Brennan: Yes.

Mr Easton: Why did we not do the same, and, if we did that now, how much could we save?

Mr Peover: That is hypothetical, and I am not sure that I can answer a question of that nature. As we said, the contract management responsibility lies with Departments. They let the contracts; they entered into them; they manage them; and they have the expertise for their management. There are arrangements to allow them to review the contracts at regular intervals. They can draw on advice from us, CPD, or SIB as part of that process. There are processes in place to allow them to review contracts. There may be more that we could do.

Mr Easton: The Audit Office estimates that there could be £12·5 million worth of savings.

Mr Peover: Was that estimated by factoring down from the overall size of the UK savings?

Mr Easton: Yes.

Mr Peover: Possibly.

Mr Brennan: No. I think that it is only the £253 million paid out of our Budget on a 5% calculation.

Mr Easton: So is it roughly £250 million a year?

Mr Peover: Is that the unitary cost?

Mr Brennan: Yes.

Mr Peover: I think that the point made earlier was the important one. We have an annual Budget of over £10 billion, between £1·1 billion and £1·4 billion of which is capital. So that £250 million is 2·8% of the total spend. It is a relatively small amount. As Mark said, if you roll it up over 30 years, it sounds like quite a lot: £7 billion. However, if you roll up the total Budget over 30 years, it is £300 billion. It is still the same percentage, no matter whether it is one year or 30.

It is an important point, but we buy services. We buy not just a building but the services to support that building as part of the provision of a PFI contract. It would cost us money to run those services if we paid for them ourselves. That, I think, was the point that you were making, Mr Girvan. If we employ the cleaners, cooks and security guards, that is a cost. Quite often, the cost to the public sector seems to be rather higher than what the private sector can buy the same service for. That is one of the areas where savings are made.

We have not said anything yet about the positives. PFI and RRI, as mechanisms for funding projects, allow accelerated investment in the capital infrastructure in Northern Ireland, which everybody thinks is a good thing. It is good to have better roads, housing, education facilities and hospitals. This is a way of buying that investment and paying for it over a period of 30 years. So, as Mark said, it has to be justified by value for money so that we are not just throwing money down the drain, but it is a way of getting investment. It is also a way of locking private sector management expertise into public sector contracts. There is general recognition that those in the private sector manage quite well. They tend to deliver projects on time and to budget. They are locked into contracts that require them to maintain buildings over their lifetime, so they have an incentive to do good building work in the first place because they cannot walk away if they have built in a problem. So there are a lot of positives, and it allows us to reform public services by providing better facilities than might otherwise have been available. We have not said much about the positives, but there are positives and they are worth emphasising.

Mr Brennan: The affordability aspect is critical. Think back to, for example, 10 years ago, when the Executive faced infraction charges under EU directives on waste water. Two water PPPs, Alpha and Omega, cost over £1 billion of investment, but the Executive did not have £1 billion of conventional capital DEL to deliver them. The avoidance of infraction fines, and the fact that there was not enough conventional capital DEL, showed the significant affordability benefits of pursuing those two PPPs.

The Deputy Chairperson: I am not sure. Is there some confusion about whether £12·5 million might be saved? I was going to ask Kieran Donnelly to explain, for the record, how he estimated that.

Mr Kieran Donnelly (Comptroller and Auditor General): We do not really know how much can be saved without some analysis. This was a very crude read-across from Treasury on the potential. The important point is, as the witnesses have said, that it is the responsibility of individual Departments to manage projects and seek out savings. We have only 39 projects right across the system and they are thinly spread, so, if a Department has only one or two projects, it will not always have the necessary negotiating skills or expertise. That is the reason why we called for a central look at this. Until all that is done, it is not clear just how much in savings would materialise. Some savings have materialised. Clearly, the Invest NI case study is a good example of that. The important point is that the slide rule should be put under all of these and the best negotiating skills applied.

Mr Peover: We agree on the point about benchmarking. The difficulty for us is that it is difficult to do Northern Ireland-specific benchmarking. As the C&AG said, there are relatively few local projects, and we need to draw on expertise from across the UK and, if possible, further afield to give us expert advice on the fruitful areas for scrutiny. That is done: we buy in consultancy.

Mr Easton: I have a few more questions. A questionnaire was conducted across the 39 PFI projects in Northern Ireland, but one Department did not respond. Do you know which Department that was?

Mr Peover: It was DOE.

Mr Easton: Is there any reason for that?

Mr Peover: I do not know. DOE is not a big capital spending Department, so maybe that is why.

Mr Easton: I was just curious about why it did not respond. The questionnaire found that reviews were not carried out in line with HM Treasury's best practice guidance, which you semi-ignored. Were the savings identified in the review not quantified? Why was that?

Dr Browne: Again, that will come to individual Departments to answer because they are responsible for managing those projects. We can say that, in the broadest sense, 25 of the PPP projects have completed a review of some sort, and six are in the process of drafting a review. Some are post-project evaluation reviews (PPEs); others are audit reviews. Reviews are ongoing, but it would be helpful to have more consistency in the reviews that are undertaken.

Mr Easton: Of the 39 PFI projects across Northern Ireland, were there any clauses in the contracts to have a review of the project lists for the construction costs or the service costs? Was it built into any PFI contract that there would be a review of costs?

Dr Browne: In the standard contract applied to these projects, a five-year review is built into the provision of the soft services. That is conducted on a —

Mr Easton: Is that a service cost?

Dr Browne: Yes, the maintenance, cleaning, catering and so forth.

Mr Easton: What about the construction costs?

Dr Browne: They have already have been met at that point.

Mr Hannam: There would be an element in the unitary charge alongside the soft services. They would all go to make that single unitary charge. All elements of the costs are rolled up into that.

Mr Easton: Are they not reviewed?

Mr Hannam: I am not quite sure that I follow what you mean by "review" in that context.

Mr Easton: You have the PFI projects, so you have the capital cost to build. You have the services cost, and we have established that a review is built in for those, which we agree on. Has any type of review ever been built into the contracts at the capital end to make sure that we are getting the best value for money in that section?

Mr Hannam: The contract will be at a fixed price, so it is in the interests of the contractor to deliver within that price because, if he does not, he will lose out. The public sector, therefore, is insulated against the risk of cost overrun in that case because, even if the contractor pays more for the asset, he will not get paid any more.

Mr Easton: Do we have a guarantee that reviews are built into each and every one of the 39 PFI contracts?

Mr Hannam: Yes.

Mr Easton: Absolutely?

Mr Hannam: Yes.

The Deputy Chairperson: I will direct this question to you, Stephen, because I understand that you are at a stage in your life at which you will be philosophising about the wonderful career that you have had: will you explain to us what the golden rule was and how relevant it still is?

Mr Peover: The golden rule?

The Deputy Chairperson: Yes. I have it here somewhere. Sorry for springing this on you.

Mr Peover: Are you talking about Gordon Brown?

The Deputy Chairperson: Yes. May I read it for you?

Mr Peover: Sure.

The Deputy Chairperson: It reads:

> *"The Golden Rule, as it pertains to government spending, stipulates that a government will borrow to invest, not to finance existing spending. In other words, the government should borrow money only to fund investments that will benefit future generations, and current spending must be covered by existing taxes."*

In addition — you probably know this already — it states:

> *"The term originates from ancient writings, including the New Testament, the Talmud and the Koran. Each has a story that teaches the Golden Rule: do unto others as you would have them do unto you. In fiscal policy, the Golden Rule seeks to protect future generations from debt by limiting borrowed money to investments, and not to indebt future generations for the benefit of current generations."*

Mr Peover: It is philosophy and economic policy at the same time. That was Gordon Brown's golden rule when he was Chancellor, and it was maintained for quite a long time, although I am not sure that even he maintained it to the end of his career. In the main, we are talking about investment for the provision of assets to the Northern Ireland public, whether it is office buildings, hospitals, schools or wastewater treatment works. Associated with those are operating costs, which are charges that would fall on the Northern Ireland taxpayer — in fact, the UK taxpayer — anyway. All our projects have probably been in accordance with the golden rule. I cannot think of an instance when we borrowed for the financing of current expenditure under a PFI contract. We have purchased assets that will be of benefit throughout their lifetime to future generations as well as to us.

The Deputy Chairperson: So are you happy that we have followed the philosophy of Gordon Brown and that we did not use PFIs to fund existing expenditure?

Mr Peover: No.

The Deputy Chairperson: All right.

Mr Peover: Sorry. Yes, I am happy.

The Deputy Chairperson: I will take your word on that.

Mr Rogers: Thanks, gentlemen. There has been quite a bit of reference to Departments being held to account and so on. Let us take a particular case in mind. Balmoral High School, as I understand it, is not being used for its original purpose, and we are still incurring costs. Is that not a real waste of taxpayers' money? Who held the Department of Education accountable in that case?

Mr Peover: None of us can really speak for the Department of Education, though two of us worked in it before. No contract arrangement, whether it is a conventional procurement, a PFI or any other version, will protect you from a wrong decision. If a decision is made to locate a school in a particular area where the catchment population will not support the long-term viability of that school, that decision is wrong. It does not matter how you buy the asset; it is still money that may well be wasted.

Balmoral has been used for other things. It has been used for the Regional Training Unit and as a decant for St Colman's Primary School when its new building was being built. It is being used for another purpose now, as I understand it.

Dr Browne: A special school has just moved into it — St Gerard's.

Mr Peover: Looking at the pattern of the schools, Dunmurry High School and the school on Blacks Road were maybe a mile apart in two different education and library boards, and it was maybe not the right decision to build Balmoral High School in that location. Presumably somebody made the decision on the basis of an assessment of need at the time. In retrospect, it looks as if that was the wrong decision, but it would have been the wrong decision whether it was conventionally procured or procured through PFI.

Mr Rogers: Does DFP or OFMDFM have any role in holding the Department of Education accountable?

Mr Peover: Not that I am aware of. I probably was not in DFP at the time. The decision was justified on the basis of a business case, which was presumably done by the Belfast Education and Library Board at the time and cleared by the Department. It may even have been cleared by DFP. I am not sure, but it probably would have been large enough to be cleared by DFP.

Mr Brennan: The DFP supply officer would have seen the business case and would have assessed whether the methodologies were followed correctly, for example, in identifying the preferred option to pursue.

Mr Peover: I am not trying to defend the decision. Building a controlled school in that location was probably not very sensible.

Mr Rogers: Page 5 of the NIAO's report states:

> *"England and Scotland have published details of both the potential for PFI contract savings as well as realised savings."*

Mr Peover, you mentioned earlier that we are a devolved area, but we seem to have no strategic programme that coordinates the review of the operation of PFI contracts across government. Would you like to comment on that?

Mr Peover: As my colleagues have said, the responsible bodies here are individual Departments. DFP obviously has a role in looking at the overall management of public spending, and larger projects that require business case approval are cleared through DFP. We do that. The system is in place through us, the SIB and CPD to provide advice to Departments in managing contracts to try to achieve efficiency as part of that process. Could it be more coordinated? Probably.

Mr Rogers: There is really nothing —

Mr Peover: There is no requirement.

Mr Rogers: There is nothing there to prevent Departments doing solo runs and having another Balmoral arise in some other situation.

Mr Peover: I would not say that. That is a different issue. That is about the validity of the original decision to have the resource available. There is a decision point about whether to build a hospital or a school. Later on, once you have it, there is the question of what you do with it. As Mark said, that asset in Balmoral has been used as part of the Regional Training Unit and as a decant facility for a primary school that needed a newbuild, and it is now being used for special education. If you have an asset, it is sensible to try to make the best use of it. That is a matter for the owner of the asset. I do not know the detail of that well enough to comment on it specifically, but at least the asset is being used.

Mr Brennan: The other strategic point to bear in mind is that, when projects of that nature come forward, they go as a standing item to Ministers on the Budget review group. They get a list and an update from Brett and me on projects of that nature and how they are progressing.

Mr Rogers: OK. Thank you.

There has been some talk of actual savings to date. Will you give us more information on what savings are being achieved and how we are now achieving better value for money, even as a result of this report?

Dr Browne: The report identifies a number of instances. It identifies the INI example and points to a number of other reviews. I think that we would accept that the extent of savings that have been driven out through reviews could be improved. That is why the First Minister and the deputy First Minister have written to the SIB to ask it to make expertise available to Departments to try to coordinate advice and support to Departments in undertaking a review of contracts. We recognise that more can be done in that whole area.

Brett, you may know more about what has been done to date. That decision by the First Minister and the deputy First Minister was important in the coordinated response to that recommendation.

Mr Rogers: I acknowledge that INI has challenged its commitment. That has been done. Is that good practice being disseminated across Departments?

Mr Hannam: We are certainly carrying on with that programme. The Finance Minister has recently indicated that he is making available some £40 million of capital and £4·5 million of revenue to enable Departments to pursue initiatives, such as the Invest NI project, to deliver further savings to the revenue budget where those initiatives would deliver value for money. That work is ongoing in SIB.

Mr Peover: Maybe I should say something on that point. We have talked about PFI and PPP and so on. There are lots of long-term commitments that government have entered into, such as leasehold arrangements for office buildings. We have had a policy for some time of seeking to minimise our reliance on leasehold buildings and moving into property that we own or, as Brett said, investing to buy out leases and finding more effective ways of using our current resources to provide the facilities we need. That process is ongoing. We could provide you with figures — I do not have them here — on how much we think that we have saved by concentrating the public sector estate into owned buildings, rather than leased buildings, and maximising the use of space in existing buildings, rather than expanding into new premises. We can provide the Committee with some information on that if you would like.

Mr Rogers: Going back to my earlier point about reviews, are all reviews now full-contract reviews in which people have to identify and quantify savings?

Dr Browne: There is a requirement in the overall processes for post-project evaluations. I mentioned the figures that we have for the range of reviews that have been done. Post-project evaluations come back to DFP as a matter of course and are made available to the individual Department, so that we get the loop of learning from that project. Where there are wider lessons to be learned, that can be disseminated through the normal processes in DFP.

Mr Rogers: Finally, do you keep a sharp eye on what is happening in England and Scotland and how they do things?

Mr Hannam: Yes. Since the publication of the Audit Office report, we have met the Ministry of Defence, the Department for Transport, the Scottish Futures Trust, DEFRA, the Department for

Communities and Local Government (DCLG), the Ministry of Justice and the Home Office to learn from their experience of carrying out similar reviews. I have a list of key lessons that we have derived from their experience that we will certainly apply when we take forward the initiative.

Mr Rogers: Thank you.

Mr Hazzard: Thanks, guys, for your answers to date. Stephen, coming back to a point that you picked up on, I think that the list of the long-term commitments and the savings that you have made could be very useful for the Committee to have.

Paragraph 5 of the executive summary of the Audit Office's report indicates that the findings and recommendations can be applied equally across a whole range of long-term government commitments. You touched on one of those with the leased buildings. Will you give us a flavour of what some of those long-term commitments are, how they would be funded and, perhaps, where the savings could be made?

Mr Peover: Leased buildings is one of the most obvious, and it is probably one of the largest, because a fair part of our estate is leased from private landlords. We had a programme some time ago to try to outsource the public sector estate and then lease it back with enhanced space utilisations. That went the way of all flesh at one point because the companies involved merged and there were a lot of complications. Anyway, that went away.

As you might appreciate, Governments tend to have higher priorities for capital investment than office buildings for civil servants and public servants. We are usually at the back end of the queue in looking for capital money to refurbish or rationalise our estate. So, we have been trying to do that when we can find money, and when we can establish an invest-to-save argument for a particular rationalisation process, we will do it.

I will give you an example from my Department, which is current and quite relevant. Land and Property Services (LPS) headquarters staff are scattered in Belfast in a number of buildings. They are in Lincoln Buildings, where the Land Registry is; they are in Queen's Court, where the evaluation directorate and some of the revenue and benefits side are; they are in College Street; and they are in — the fourth one will come back to me in a second. LPS is rationalising into a single headquarters building down at Lanyon Place, which will do a number of things. It will be refurbished to modern standards — Colby House is the fourth one — so there will be a much more intense utilisation of space. It will get the four directorates together — the key staff in the headquarters directorates together in one building — which will enable the various components of the organisation to have easy access to each other and the development a more corporate culture. That is generating savings through the vacation of premises, sometimes directly or by allowing other staff to move into a vacated building and in turn vacate another one. So, there is a chain of moves.

We are doing that, and Brett mentioned the money that my Minister is making available to allow those sorts of things to happen. Those are analogous arrangements that will allow us to generate revenue savings by investing some capital and rationalising the facilities that we have. Those sorts of things are, in a sense, part of the normal day-to-day business of Departments.

Mr Hazzard: Is the strategic vision shared by OFMDFM and DFP? Is there friction in the system?

Mr Peover: We work very closely together and are engaged all the time. The asset management strategy was a joint production between ourselves and SIB, and there are joint arrangements in place between DFP, OFMDFM and SIB to follow that up and build on it. I am pretty satisfied that it has started well and will continue to work well and is being done on a cooperative and joint basis. Maybe Brett wants to comment.

Mr Hannam: I agree with that.

Mr Girvan: I have a supplementary question. I understand the rationale behind moving out of four buildings that are located all over the place. That rationale will stack up if we are not entering into a PFI contract to move into the premises at Lanyon Place. What is happening with the four buildings, some of which are in fairly prominent sites in Belfast, to make sure that they deliver? This is the whole point: you might well be getting a PFI contract that makes sense, but what is happening with the four properties that are left?

Mr Peover: In this case, there is no PFI contract. We acquired the premises through a NAMA sale. We own some of the vacated buildings. Lincoln Buildings is leased. We own Colby House in Stranmillis: it could be sold, but it could provide a valuable resource for some of our other staff whom we can move out of leased accommodation and save money as part of that process. The property at Queen's Court is owned, and we will need to retain it for some of our staff. The property at College Street is owned and will be used by another Department, which will move staff there from a leased building. So, the whole thing stacks up as a business case and generates benefits overall for the system.

We will get the corporate benefits from LPS having its headquarters staff in a single building for the first time. LPS was constructed in a two-phase process in 2007 and 2008. It has always been scattered over a number of directorates. It needs to be more integrated, and we will get that, starting this month. It is a well-argued and —

Mr Girvan: I totally buy into that one; it is not an issue. We might be looking at others not necessarily so joined up in their approach to the use of the building they are in, but that is an argument for another day.

John spoke about the golden rule earlier. We used that vehicle for access to funds to deal with equal pay. We said that it is really used to deliver assets. How do you square the circle on the matter in relation to making borrowings to do an equal pay settlement, which probably could not have been delivered through ordinary revenue we had?

Mr Peover: There are two things. It was approved by the Treasury and, in this case, the Prime Minister.

Mr Girvan: So, was it unique?

Mr Brennan: No, it is common.

Mr Peover: It is common because the capitalisation of those sorts of costs is something that happens regularly in local government in particular. It was not a one-off for us; it was the capitalisation of a cost, which would have been a real pressure on us otherwise. It was maybe slightly unusual capital expenditure, but it was capitalised nonetheless.

Mr Girvan: It does not fit with the box that I have for what is capital.

Mr Peover: It does not, but, in terms of local authorities, RRI operates —

Mr Girvan: I am not saying that it did not have to be dealt with; it had to be dealt with, and the money had to be set up to deal with it.

Mr Peover: RRI operates on the basis of broad comparability with local government prudential borrowing arrangements. Local government can borrow nationally, as it can here, to invest, and often does. This is one of the things that is allowed to be capitalised for. We could not have gone much higher than the Prime Minister to get agreement.

Mr Girvan: In the capitalisation of that project, interest will be charged on the borrowings over the period for it. Was that factored in as value for money?

Mr Peover: It should have been. The borrowing rate is around 3%.

Mr Brennan: It is 3·3% at the minute. You will not get better anywhere else.

Mr Girvan: So, it was actually Treasury borrowing.

Mr Brennan: Yes, it was National Loans Fund borrowing.

The Deputy Chairperson: Gentlemen, I have a couple of questions. You will be pleased to know that we are coming towards the end. While recognising that the reinvestment and reform initiative is an important driver for the delivery of investment strategy, it is concerning that the estimated cost of borrowing is continuing to increase and that the cost of interest is estimated to be £1·3 billion. In view of that, what assessment has been made of the affordability of the long-term spending implications of reinvestment and reform borrowing? As has already been alluded to by other members, can we afford this?

Mr Peover: The answer is yes. The payments amount to about 0·5% of —

Mr Brennan: It is £100 million in total.

Mr Peover: That is interest and capital.

Mr Brennan: The capital repayment does not score against the departmental expenditure limit (DEL).

Mr Peover: One of the points that we have not mentioned yet is that the Executive are considering a borrowing strategy, which would set out all these things. We give a fair amount of information on the RRI in the Budget papers. The costs, interest payments and all the rest of it are set out; they are already fairly transparently available to people. However, it would be sensible to have a borrowing strategy, and the Executive are considering it. As part of that process, we will look at how the long-term position can best be portrayed or developed.

The Deputy Chairperson: Since we debated the Budget yesterday, it seems appropriate to ask a question that relates to it. The Budget sets the context and capital expenditure provision for the investment strategy, but what analysis is done of the affordability of future borrowings and anticipated reinvestment and reform initiative commitments in a manner subject to the scrutiny of the Assembly?

Mr Peover: Those things are dealt with. There is a ceiling on RRI borrowing of £3 billion.

Mr Brennan: At the minute, the aggregate ceiling is £3 billion, but, as Stephen mentioned, the Executive are currently considering a paper on the borrowing strategy and what they may or may not want to do in terms of future borrowing requirements to fund capital projects.

The Deputy Chairperson: Why is there no formal borrowing strategy to underpin investment strategy?

Mr Brennan: When the Executive approved their four-year Budget in March 2011, they set out their borrowing intentions in the Budget document. They are detailed there, with the interest repayments. They could not set out a strategy beyond 2015-16 because there was no spending review for that period, so you had no affordability envelope to construct a strategy. A paper is with the Executive that assesses questions such as, "When do we draw a line in terms of future borrowing?" and, "When does the re-servicing of the debt become unaffordable?".

Mr Girvan: In relation to the 39 projects that we have, at the end of the term on the majority of those projects, how many of the assets are owned by the public sector and how many will be owned by the delivery agent or whoever provided them? The reason I ask that question is this: is there a comparison between paying primarily rent and a mortgage?

Dr Browne: I do not have the details for all the projects, but my understanding is that most of them, at the end, would revert to public sector ownership.

The Deputy Chairperson: Members, does anybody else have a question before we wrap up? Alex?

Mr Easton: No, just wrap up. *[Laughter.]*

The Deputy Chairperson: OK. I put the same question to Mr Layberry and his colleagues and to the C&AG. Is there anything you wish to add regarding the evidence that we have just received?

Mr Donnelly: Chair, no. I have nothing to add.

The Deputy Chairperson: Gentlemen, before thanking you for your attendance before the Committee, it would be remiss not to acknowledge the fact that, Stephen, you are going towards retirement, and a better mortal than I, no doubt, will sum up your enormous contribution to the Civil

Service. As probably the longest-serving members of this Committee, I say that, over the years, you have always robustly defended your Department. That is a strong feature, and no doubt the Assembly has benefited a great deal from your wisdom, your inspiration and indeed, at times, your stubbornness. *[Laughter.]*

Mr Peover: Thank you, Chairman, that is very kind.

The Deputy Chairperson: We wish you all the best.

Mr Peover: If I may, I will say to the members of the Committee what I have said to you in other discussions. It has been a privilege for me, since 2000, to have worked for a local Assembly, particularly since restoration in 2007. I spent most of my career working under a direct rule Administration, and it has been professionally and personally satisfying to work for local politicians, to be accountable to an Assembly and, through the PAC, to be personally accountable to the Assembly. I have enjoyed my interactions with this Committee, the Finance and Personnel Committee and the Environment Committee before that.

The Deputy Chairperson: I can say, Stephen, without hesitation on public record that I have always enjoyed your robustness in defending your colleagues. It is nice that we have had a good hearing here, and it is nice for you, I think, to end on a high note. With that, again, thank you for coming.

Next week, we have an evidence session on the Belfast Metropolitan College public-private partnership element of this inquiry. Following that, we may need to write to you seeking clarification on issues raised. We will also be writing to you on issues raised today.