

Committee for Social Development

OFFICIAL REPORT (Hansard)

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

Ms Jenny Palmer

9 October 2014

NORTHERN IRELAND ASSEMBLY

Committee for Social Development

Inquiry into Allegations arising from a BBC NI 'Spotlight' Programme aired on 3 July 2013 of Impropriety or Irregularity relating to NIHE-managed Contracts and Consideration of any resulting Actions: Ms Jenny Palmer

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Members present for all or part of the proceedings:

Mr Alex Maskey (Chairperson)
Mr Mickey Brady (Deputy Chairperson)
Mr Jim Allister
Ms Paula Bradley
Mr Gregory Campbell
Mr Stewart Dickson
Mrs Dolores Kelly
Mr Fra McCann
Mr Sammy Wilson

Witnesses:

Ms Jenny Palmer

The Chairperson (Mr Maskey): Thank you, Ms Palmer, for being here this morning and for providing members with a written submission in advance. The briefing paper from Ms Palmer is in members' packs. In it, there are references to "2013" that should read "2011". The revised version is in the tabled papers. The references to "2013" are typos.

Ms Palmer, thank you for attending this evidence session of the inquiry. I think that you have spoken to the Committee Clerk, and he has taken you through the procedure. We operate under the process of procedural fairness, which is very much the status of the evidence sessions. We do our best — for the most part we have done so quite professionally — to invite people here to deal with evidence on certain issues that we feel it necessary to address. We invited you to give us a submission on matters in advance of coming here. You will have had a chance to look at any paperwork that we thought was appropriate. We will then open up the meeting to members to ask questions.

We try to do this in a way that is professional. Members are entitled to ask questions. We respect that, but we do not seek to badger witnesses or anything else. This is all about giving people — members and witnesses — the time and opportunity to give the most accurate information they can on a professional basis. If, at any time, you want to seek through the Chair clarification of a question or to take a breather, feel free to do so. Members know how we conduct our meetings. Before we start, is there anything that you want to add to your written submission by way of commentary this morning?

Ms Jenny Palmer: No, Chair. I am happy to answer the questions.

The Chairperson (Mr Maskey): OK. I remind members that this is phase 3 of the inquiry. We are not dealing with or reinvestigating contracts. We are not doing any of that work. We have specific terms of reference.

Mr F McCann: Jenny, you are welcome the Committee. I was just reading through your submission, and you said that you were contacted by Stephen Brimstone, the special adviser to the then Minister, Minister McCausland, about 'Spotlight' or something coming to the board regarding Red Sky. You said that he had asked you to vote against it. Did anyone else approach you or have a conversation with you on that issue?

Ms Palmer: No.

Mr F McCann: There was nobody else you had spoken to who asked you what your position was on it?

Ms Palmer: No.

Mr Allister: I have a couple of preliminary points to clear up. You are still on the board, are you?

Ms Palmer: Yes.

Mr Allister: How long have you been on the board?

Ms Palmer: Since November 2007.

Mr Allister: You have been on the audit committee.

Ms Palmer: Since January 2010.

Mr Allister: You are still on the audit committee.

Ms Palmer: Yes.

Mr Allister: Therefore, you had guite a working knowledge of the background to the Red Sky issue.

Ms Palmer: Yes.

Mr Allister: It has been suggested — there were meetings with politicians in the Housing Executive at which this line was promoted — that the termination of Red Sky's contract was in some way motivated by a sectarian motive. What do you say to that?

Ms Palmer: I would have to say that, in all the time that I was involved in the investigations with audit, internal audit and all the external bodies associated with the investigations around Red Sky's contracts, I never, ever heard any suggestion about sectarianism in the boardroom, from management or in audit. I myself did not know that Red Sky was a Protestant firm in east Belfast. I knew that it was called Project Young initially, but laterally, whenever the investigation went to external review, I became aware that it was Red Sky. However, I did not know until the April decision to terminate the contract that Red Sky was a Protestant firm.

Mr Allister: Had anyone sought to lobby you about the April decision, which was the decision to terminate?

Ms Palmer: No, not at that time.

Mr Allister: Not at that time.

I now come to the crux of the matter, which is the telephone call on 1 July. That came out of the blue to you, is that right?

Ms Palmer: Yes. I was in Drogheda with Minister Wilson and some of his colleagues and my colleagues at the time. I was walking and having a lovely tea after the launch of the new open garden. My colleague then came to me, and he had his phone, and he said, "Jenny, there is a guy here who wants to have a chat with you".

Mr Allister: Who was the colleague? Was that Councillor Ewart?

Ms Palmer: It was.

Mr Allister: Councillor Ewart at that time was still himself a special adviser to Minister Wilson, is that

right?

Ms Palmer: Yes.

Mr Allister: The call had come to his phone.

Ms Palmer: Yes.

Mr Allister: Did Councillor Ewart tell you who was on the phone?

Ms Palmer: No, he did not. He just said that there was a guy who wanted a wee chat with me. I took the phone from him, and that is when the conversation began. I walked out into the garden, because of the noise in the building, to listen to the conversation.

Mr Allister: Presumably, he told you who he was.

Ms Palmer: Yes, he said that he was Stephen Brimstone. I knew Stephen Brimstone's name, because of ministerial work around DSD, but I had never met him. He said to me, "I am Stephen Brimstone. Jenny, we have never met, and it is too late now to do so, and perhaps we should have done" and then he proceeded to ask me.

Mr Allister: Did he tell you that he was the Minister's special adviser, or did you know that?

Ms Palmer: I knew that.

Mr Allister: You knew that. He did not say that.

Ms Palmer: No.

Mr Allister: Did he say whether he was ringing at anyone's request or on anyone's behalf?

Ms Palmer: Not really. In the conversation, after he had introduced himself and said that we should meet, that we had not had time to meet and that maybe we should have done, he basically said, "But I need you to go into the boardroom on Tuesday, go against the decision of the board to terminate the contract and ask for an extension to the contract". I asked him then, because I was a bit shocked and taken aback by it, to repeat that, and he repeated it. I was unaware of a board meeting being tabled for Tuesday, and I said, "The board does not meet on a Tuesday", and he said, "It will this Tuesday, and we need you to do this". I said, "I am sorry, I don't think that I can do this".

Mr Allister: Did he indicate who "we" were?

Ms Palmer: No.

Mr Allister: We now all know that what was coming up at that meeting was a proposal that the Red Sky contract should be extended and that that was what the vote was going to be on. What you were being asked, as you have conveyed to us, was that you should vote for the extension of the contract

Ms Palmer: Yes.

Mr Allister: — to keep Red Sky as the contracted party.

Ms Palmer: Yes. I said that I did not think that I could do that. It was then that he became aggressive. His language was more abrupt. In fact, it was intimidating when he said, "Look, there is no point in you being on the board of the Housing Executive unless you are prepared to do what the party needs you to do".

Mr Allister: At that point, it was pretty clear to you by whom and why you were being asked to do this.

Ms Palmer: Yes.

Mr Allister: Had you any sense of whether Mr Brimstone was on his own when he was making that call?

Ms Palmer: To be fair, I did not know.

Mr Allister: You had no idea, and there was nothing that happened that would have indicated that.

Ms Palmer: No. I did not hear any background.

Mr Allister: There was no background. He told you that the party comes first, is that right?

Ms Palmer: Yes.

Mr Allister: What did you understand that to mean?

Ms Palmer: That my obligation was to the party first and foremost as opposed to my membership of the board, which is, in itself, ridiculous. It brought into question my integrity and the work that I had been doing on the audit's integrity, as well as that of the external investigation and the board.

Mr Allister: Remind us how you came to be on the board.

Ms Palmer: It was as a representative through Lisburn City Council. I was nominated to the board of the Housing Council. As a Housing Council member, I was then nominated by the DUP group to go forward for interview for the position on the board. All four main political parties had a representative on the board, but that is where the party's affiliation to me would end, because, as a member of that board, my paramount obligation would be to it.

Mr Allister: Yes. He said to you that the party comes first. I think that you also told 'Spotlight' that he said to you, "You do what you're told". Is that correct? Did he say that?

Ms Palmer: Yes.

Mr Allister: What he was telling you to do was to vote to extend the contract of Red Sky.

Ms Palmer: Yes.

Mr Allister: He was aligning, was he, the party interest in what he wanted you to do on behalf of the party with the Red Sky interest of extending the contract?

Ms Palmer: Local councillors are pretty isolated from our MLAs and Ministers. We really only get to meet our MLAs and Ministers so many times in the year. I did not really know, except for the media around it and the information that was provided through the Red Sky investigations, what my party's stance was on the contract. No one had approached me or spoken to me up until the point of Mr Brimstone's call.

Mr Allister: Did you think that, if the party had a stance on that contract, it would be relevant for you as a board member?

Ms Palmer: I had my allegiance to the board first and foremost. At the end of the day I am a political representative, and my integrity is important to me. It may not have been important to Mr Brimstone.

Mr Allister: You used the word "aggressive".

Ms Palmer: Yes, he was.

Mr Allister: In his language and in his tone.

Ms Palmer: His tone. His voice changed from the moment that I said that I did not think that I could do what he had asked me to do. He became more aggressive, and that is when he said, "Look, there is no point in you being on the board of the Housing Executive unless you are prepared to do what we need you to do. The party comes first in this instance, and you have to go into the boardroom on Tuesday, go against the decision of the board to terminate Red Sky and ask for the extension".

Mr Allister: When you said, "I don't think that I can do that" or "I won't do that", what happened?

Ms Palmer: He said that he would ring me later that evening. That phone call never came. I gave the phone back to Allan — Alderman Ewart — and said to him that I was probably going to have to resign from the party as a consequence of that phone call.

Mr Allister: You were upset.

Ms Palmer: Yes. He said to me, "Jenny, don't be silly. Take a deep breath and think who you could contact". I said, "I do not know who I could contact". From the media, I knew the big players in the DUP around Red Sky, and so I did not feel that I had anyone in Stormont whom I could approach.

Mr Allister: Minister Wilson was there that day. You did not speak to him.

Ms Palmer: No, I did not.

Mr Allister: And the phone call never came.

Ms Palmer: The phone call never came.

Mr Allister: What did you understand the purpose of the second phone call would be?

Ms Palmer: I assumed to try to persuade me again.

Mr Allister: You have told us that, on 5 July, you went to the board, had a conversation with the chairman and excused yourself from the meeting.

Ms Palmer: Yes.

The Chairperson (Mr Maskey): Jim, I want to bring in other members. Ask another question, and I will come back around to you again.

Mr Allister: OK. Briefly fill the gap for us from there until you spoke to the BBC.

Ms Palmer: Goodness. It was quite a gap. I thought that I had not been punished by the party for not carrying out the wishes of Mr Brimstone and that everything had moved on. Then Mr Dillon, a councillor in Lisburn, came to me and said, "Guess who I had at my house last night". I said, "Tell me, Jim". Jim and I are friends. He said, "I had the BBC at my house", and I replied, "What were they looking for you for?". He said, "They were looking for you". I said, "What do you mean they were looking for me?", and he replied, "They had a dossier this thick. Your name was in it at least 12 times, and they want to interview you". I said, "What is it in relation to?", and he said, "It is to do with the Housing Executive contracts and Red Sky". I said, "Goodness" and went straight to Allan, because Allan is a good friend as well.

Mr Allister: Allan Ewart.

Ms Palmer: Yes. I said, "Allan, what am I to do here?", and he said, "Come you up to Stormont and talk to our PR team, and they will give you advice". I said, "I'll only go there if you come with me". I came into this Building and met two representatives of the DUP's PR team, media coverage and all that jazz. I told them my concerns and was basically told, "Don't be silly. We wouldn't ask you to do anything immoral or corrupt". I said, "But you have", and he said, "No, just tell them to stick it in an email, and we will respond to it".

Mr Allister: "We will respond to it" — meaning the party.

Ms Palmer: Yes, they said that they would respond to it on my behalf. Allan looked at me, and we walked out of that room. Allan said, "At least you tried". He and I travelled together on the way back, and I said, "What will I do, Allan?", and he said, "Do what the party asked you to do: ask the BBC to contact you by email and say that you will answer questions through email".

I went to the planning committee that night, and Jim Dillon was there. He was the link with the BBC, because I had not had any links with the BBC at that point. I said, "Jim, here is my business card. When you speak again with the BBC, tell them to put any queries or comments to me in an email". He said, "I think you're wrong to do that, Jenny". I said, "Look, please, that's what I want to do at this point in time". He did so, and, two or three days later — I cannot remember exactly, but it was within the week — two vehicles drove into my driveway. One was a Mercedes van with no markings on it, and the other was a car. My son has a business that repairs cars. I said to my son, "John, there's a customer leaving a car off". I was on the computer doing some emails, and I heard him say, "Oh, it's my mum you want to speak to". I went to the front door, and it was blowing a gale. The people looked like just a normal husband-and-wife team to me. I did not recognise any of them. I said, "Oh, is it a constituency matter?", because they had asked me, "Are you Jenny Palmer?". I said, "Yes" and asked whether it was a constituency matter. They said, "Well, sort of. Could we have a chat with you, Jenny?". I said, "Look, step inside". I brought them into my hallway thinking that it was to do with my work as a councillor. The lady said to me, "Jenny, I'm Mandy McAuley". I think that she was a bit shocked that I did not know who she was. I said, "Right, OK. What's it about?". She said, "Can I introduce you —", and I thought that she was going to say to her partner or husband, but she said, "Can I introduce you to my producer?". It was only then that I realised who was in my hallway. I said to them, "I thought that the issue that you wanted to speak to me about was a constituency matter, and I feel a bit vulnerable now that you're in my hallway and are representing the BBC. I might have to ask you to leave, and I hope you don't think that I'm going to be rude". Mandy said to me, "Jenny, listen. You are not" — I cannot remember the phrase, I probably will remember it — but Mandy said, "Listen, Jenny, can we show you a video of a recording we've done with two people? After that, we'll leave if you want us to leave, but we think you should give an interview, because Jenny Palmer may not be believed within the programme if you don't say the truth". I looked at the video. My daughter and John were with me.

Mr Allister: John is your husband.

Ms Palmer: I looked at the first video. I could not hold back the tears, because I knew how passionate the man was. She recognised that I was upset by watching the video, and she then showed me the second video. I said to my daughter, "Hannah, what am I to do?". My daughter said, "Mum, you've done nothing wrong. You tell the truth". I gave the interview that day to the BBC. They brought their lights and stuff out of the van.

Mr Allister: Do you stand over everything that was on the programme from you?

Ms Palmer: Yes.

Mr Allister: Do you want to shed any light on who the two videos were with?

Ms Palmer: The first one was the chairman, Brian Rowntree, and the other was Ross Hussey.

Mr Allister: Yes.

The Chairperson (Mr Maskey): OK, Jim. I want to move on to other members, in fairness to them.

Mr Allister: OK. Thank you.

Ms P Bradley: Jenny, I know what it is like to be a councillor. As you know, I was a councillor from 2005 to 2011. I know that sometimes you do not get to meet all these people and that telephone conversations are very difficult when you do not have a personal relationship with them. You know of them, but sometimes you have not met them. How did you feel after that telephone call from Stephen?

Ms Palmer: Fearful, annoyed and angry. I went through a whole range of emotions. Immediately after the phone call, I left the event with my husband, and we drove down to Stormont, because we had a meeting at Stormont that day with the Causeway Institute. I was invited to join the Causeway Institute by my MP. That was our meeting. I went straight down there and spoke to my MP briefly afterwards.

Ms P Bradley: You said earlier that you have a good relationship with Allan Ewart. I know Allan very well and would call him a trusted friend also. At the time of the telephone call, you were with Allan. You said that you did not speak to him —

Ms Palmer: I did.

Ms P Bradley: You did speak to Allan directly after the phone call.

Ms Palmer: I told Allan that I was going to resign from the party because of the manner of the phone call.

Ms P Bradley: But Allan then talked you out of it.

Ms Palmer: Yes. He said, "Don't be silly, Jenny. You need to speak to someone".

Ms P Bradley: I was fortunate when I was a councillor. We had an MLA on my council, Paul Girvan, who was an extremely good friend of mine. I would have talked to him about anything that we were passing through council. Quite often, you need to speak to your MLAs, because some of the legislation is being passed down from here. Did you have that type of relationship?

Ms Palmer: I had a very good relationship and still have with my MLAs. However, the MLAs did not involve themselves in the business of the Housing Executive. The MLAs directly dealt with constituency issues that would impact on the council.

Ms P Bradley: OK.

Ms Palmer: On the day — I am trying to remember whether it was on the day or whether it was the Monday afterwards — I spoke to Edwin and Jonathan Craig outside the Bridge Community Centre, to say briefly that I was in a bit of a pickle and to ask for some advice. Their advice was that it was over their head. They said that I was doing the right thing in the pathway that I had chosen. They knew briefly.

Ms P Bradley: But did not offer you any advice.

Ms Palmer: They could not. They did not know how to handle it. They were only new to the job themselves.

The Chairperson (Mr Maskey): Sorry, you said Edwin.

Ms Palmer: Edwin Poots.

Ms P Bradley: He was a councillor then, as well as an MLA.

Ms Palmer: As was Jonathan.

Ms P Bradley: How long did your phone call with Stephen last?

Ms Palmer: Only a few minutes. It was only enough time for him to repeat what he had asked me and then tell me that he would ring me later.

Ms P Bradley: After you —

Ms Palmer: Probably no more than about four or five minutes in total. Remember that Allan had the phone before he passed the call to me, and, before I responded to it, I went out into the garden. It could have been four or five minutes, but I do not know. My phone call, after the initial conversation, was only about two or three minutes.

Ms P Bradley: You said in response to Jim that, when you received the information from the BBC, you then had a meeting with the PR people in our party. You did not feel then that they had given you any steer on that. Did you ask to speak to anyone else? Did you bring the matter up with Allan or your MLAs to say that you needed further clarification or a further meeting?

Ms Palmer: I did speak to Allan, on the way home. Allan said to do what they had asked me to do.

Ms P Bradley: How long have you been a councillor, Jenny?

Ms Palmer: Since 2007.

Ms P Bradley: Therefore, you know the party structures. As a councillor, if I needed to speak to someone. I knew whom to lift the phone to and get it resolved.

Ms Palmer: We have group leaders.

Ms P Bradley: After the programme was aired, there was a meeting again with Stephen Brimstone. Is it correct that he was present at the meeting? Was it maybe at party headquarters?

Ms Palmer: Yes. There was a meeting initially with the party leader. Jeffrey Donaldson and I agreed to meet him, off the Newtownards Road.

Ms P Bradley: At headquarters. OK.

Ms Palmer: After that meeting, we had a very good conversation about the issues. The party leader asked me whether I would be prepared to meet Stephen. He was going to talk to Stephen and asked would I be prepared to meet Stephen. I said yes, if my MP was present.

Ms P Bradley: You had a good relationship with Jeffrey as well.

Ms Palmer: Yes.

I went away from that meeting and then received a phone call. Jeffrey was the mediator from that point on. A meeting was set up with Mr Brimstone, Peter, me and Jeffrey. Gavin Robinson was there, representing the party leader, I think. Jeffrey had phoned me that morning to say that his flight had been delayed and there was a possibility that he would not make it in time. I said, "Well, if you are not there, I am not there". He said, "Look, I'll be there. Meet me at the cafeteria on the Newtownards Road". Is it the Newtownards Road that runs around to Belmont?

Ms P Bradley: The Belmont Road.

Ms Palmer: I do not know Belfast that well.

I met him there, and we went upstairs for a quick coffee before we went across to the party leader. We went to the top of the stairs and saw Stephen Brimstone and Gavin Robinson sitting talking to each other. I thought it was unusual that the legal adviser for the party leader and Stephen were talking together before we went in to talk, but Jeffrey and I turned on our heels and went a few doors down the street to another wee cafe and had a coffee in there. We just got our head around what the process would be.

Ms P Bradley: OK. I believe that you received an apology for any offence that had been caused to you. Is that correct?

Ms Palmer: I received an apology from — if you do not mind, I will take you through the conversation.

Ms P Bradley: That is fine.

Ms Palmer: When I arrived, I sat here; Peter sat where Gregory is; Gavin sat beside Peter; Stephen sat where Jim is; and Jeffrey Donaldson sat beside me. Peter asked Stephen to start the conversation. Stephen said, "Well, Jenny, I am a Christian and, if I have done anything to offend you or to cause you stress, I am sorry for that and I apologise for that". He said, "It's two years now since that conversation, and I can't really recall that conversation". I said, "Let me remind you, Stephen", and I gave it to him verbatim. Peter looked at him and said to him, "Stephen, what have you to say?". Well, he agreed then that my account was practically right. He agreed that it was very much what happened. Peter then said, "We need to do something around getting a statement out and an apology out to protect Jenny's integrity and recognise her work on the board". It would be agreed that Jeffrey Donaldson and Gavin would liaise between the two parties and that we would have a statement released. That is where it was left. Jeffrey was the mediator for me.

Ms P Bradley: The apology was accepted and —

Ms Palmer: Well, the apology was only —

Ms P Bradley: Did you want anything further than that?

Ms Palmer: The apology really only acknowledged that he had maybe caused me stress.

Ms P Bradley: OK.

Ms Palmer: The apology was not for what he had asked me to do.

Ms P Bradley: Right, OK. To go back to your involvement on the Housing Executive board, you said that you had been on it for some time. Were you put on it just as a Lisburn city councillor or as a DUP

Ms Palmer: I am just a councillor. It just goes through; it is whoever is nominated.

Ms P Bradley: OK. I just wanted to clear that up. When the BBC doorstepped you at your home, which I am sure was difficult, was hard —

Ms Palmer: I did not know who they were, so —

Ms P Bradley: — when you did find out. They did not tell you at all who they were. They just —

Ms Palmer: They just asked —

Ms P Bradley: — came into your home without even telling you.

Ms Palmer: To be fair, I invited them into my home, because it was blowing a gale. I did not know them; I thought that they wanted to talk to me about a constituency matter. I regularly meet some of my constituents in my home or their home because I do not have an office. It was not unusual for me to bring someone into my home; it was unusual only in that I did not recognise them as BBC. Then it played out.

Ms P Bradley: If, on the board, you had followed the instructions that Stephen asked you to follow — I know that you did not — would it have made any difference?

Ms Palmer: I have been asked that so many times.

Ms P Bradley: Is the decision made by the board a collective one? Would it have been voted on? Would it have made any difference at all?

Ms Palmer: No, it would not, but, then again, why ask me, if it was not going to make a difference to the board's decision? That is where I think the sectarian card might have been played.

Mr Brady: Thanks for your evidence so far. I have a couple of questions. After the phone call, you approached Brian Rowntree, who was the chair at the time, and explained to him the situation. He said that you could excuse yourself from the board because, obviously, there was an issue there. Did you speak to any other people, or did you speak to any officials or other people, maybe from the Department or anything, about that?

Ms Palmer: Sorry, can you repeat that?

Mr Brady: Did you talk to anybody else apart from Brian Rowntree? Did you approach anybody or speak to anybody from DSD?

Ms Palmer: No, I spoke with Brian, and I spoke with my MP.

Mr Brady: In your evidence, you mention the DFP factual report on the special adviser. Were you given assurances that you would be made aware of the outcome of that?

Ms Palmer: Yes, I was. I met Colin Lewis and Barry Mulligan on 30 August at Royston House to go through and give an interview with them. That is my copy of the interview. I got two copies, one to sign off for the report and one that I kept myself. At the time, I asked the questions. DFP has conducted this because there may be a possible conflict of interest in DSD and with the Minister's office. Yes, I was given assurances that, when the report was done, that report would go to the permanent secretary. I asked which permanent secretary, and they said that it would be Will Haire. I said that that surely could not be right because he was the permanent secretary of DSD. He said, "No, Jenny, he has to have it because of the contractual arrangements with Mr Brimstone's work". I asked when I would see the report, and he said that within a couple of weeks of them submitting the report, I should have oversight of the report, at least for accuracy within it. I said that that was fine.

I gave my interview, and it progressed. I asked them how many they intended to interview, and he said, "Jenny, we cannot reveal anything around the report". I said that I was not asking for names but for how many he intended to interview, and he said three. I knew that that would be done in a pretty quick space of time. The letter and the copy was sent to me and was dated 4 September 2013, and my interview with them was on 30 August. On the day before the September board meeting of the Housing Executive, I got a phone call from one of the guys — I cannot remember which one. He said, "Jenny, we have conducted the inquiry, and we need you to check the final report and sign off on it before we take it to the permanent secretary. We intend to take it to the permanent secretary on Wednesday afternoon". I said that I would be at the board of the Housing Executive on Wednesday morning and that, if he met me in the lobby, I would look at the document and sign it. That is exactly what happened, and I told him then that the report had been contaminated in my eyes, and that it was not worth the paper that it had been written on. They said that they would take note of my concerns around the report and that they would report it to the permanent secretary.

The Chairperson (Mr Maskey): Before Mickey comes in, can you elaborate on what you meant when you said that the report was contaminated?

Ms Palmer: Yes. I chair the Housing Council's housing and regeneration committee. On the Thursday prior to signing off the document, the committee met. At that meeting, DSD was in attendance, and at the lunch afterwards a DSD official approached me and asked me whether he could ask me a personal question. I said, "Yes, fire away". He said, "Jenny, do you know anything about an email that was sent to the chairman of the board of the Housing Executive on the morning of the Tuesday that the Red Sky contract was terminated by the board?". I said, "Yes, sure it was your office that sent it on behalf of Mr Brimstone". He said, "You know, he is going mad in the Department trying to find it". I asked, "Who's going mad?", and he said, "Mr Brimstone's wanting to find out where that email is, and he wants to view it". I said, "Well, it was a DSD email, so you should have it within your system".

I had never spoken to anyone about that email — ever — until that DFP report and investigation. I assumed that Mr Brimstone had been interviewed by the same two people, that they had used some of my evidence to tease out his interview, had told him about that and that he had panicked and gone into the Department to look for it and had caused a stir. So I knew then, and I told him that the report had been contaminated and that I did not trust it to go anywhere.

The Chairperson (Mr Maskey): Thank you.

Mr Brady: Who was that official?

Ms Palmer: I would prefer not to say at this point in time. The same official may be called to give evidence at another time.

Mr Brady: I have a final question. Have you seen a copy of the final report?

Ms Palmer: No.

Mr Brady: As far as the Committee is aware, that has been with the Minister's office since September last year. We have not seen it and you have not seen it, yet you were given assurances that you would get a copy of the final report.

Ms Palmer: Yes.

Mr Brady: Thank you.

Mr Dickson: Jenny, thank you for coming to us today and for the information which you have given to the Committee.

In respect of your role on the audit committee, did you have previous audit experience? Why were you chosen, or was that something you volunteered for?

Ms Palmer: I volunteered. I did that simply because the board was under strength in its membership, because the Minister had not allocated the independent membership to the board. We were left with a very small board. I think that we were three members down, and there was an issue about appointments. Therefore, the board was in need of someone to sit on the audit committee, and the chairman asked if there were any persons who would volunteer to go on to the audit committee. I volunteered.

Mr Dickson: Did you have previous audit experience in Lisburn City Council, in your business life or anything like that?

Ms Palmer: Only in strategic policy in my business life. We have a family business, so I understood quite a bit about the work of it. I was also keen to learn, which I suppose added another string to my bow, and knew the competencies around the role. So, yes, I threw myself straight into it.

Mr Dickson: When the audit committee and the Housing Executive came to the discussions about the Red Sky contract, and before the phone call you received, had you concluded in your own mind and with your colleagues that the correct course of the action was to terminate that contract?

Ms Palmer: Yes, that decision was based on the evidence of the internal and external investigations and the fact that Red Sky did not cooperate in trying to recognise and repair the faults in terms of overcharging and poor workmanship. Red Sky had basically told us that they did not recognise that it owed the Housing Executive money and that it had overcharged. Indeed, they told us that we owed them money. We had no other option, because it was public money.

Mr Dickson: Setting aside your personal integrity for a moment in terms of doing what you were asked to do that by Mr Brimstone, presumably it would have seemed exceptionally odd if you had gone into a meeting and attempted to reverse that decision.

Ms Palmer: That was my whole point. That was what I was fearful of. I had been on an audit committee since 2010. The problems had been historical, not just with Red Sky but with contracts and with overcharging. If I had basically gone against the board, that would have brought into question the whole ethics around the audit committee, internal audit, RIU and the external VB Evans reporting evidence to ASM Horwath. All that work would really have been made to look very foolish.

Mr Dickson: You would have been attempting to say the exact opposite on stuff that you had presumably agreed with and commented on, and would have had to look for justifications for saying that.

Ms Palmer: I felt that I was a small cog in government. With all the legal advice toing and froing between the Department and the Minister on Red Sky and the contracts, the unacceptable standard of repairs and overcharging, there was no other option for us to take.

Mr Dickson: Moving on to the day that you took the telephone call, you were with Allan Ewart on that day. Did he give you any prior indication about what the conservation would be about?

Ms Palmer: No.

Mr Dickson: He then handed you the phone and you had the conversation with Mr Brimstone. You then handed his phone back. Were you in some distress? You commented that you felt that you had to resign at that point.

Ms Palmer: Allan saw me when I gave the phone back to him and knew that I was close to tears. Some of us cry when stress develops. He was the one who instigated the conversation. He said, "What's wrong?" I told him, and he said, "Don't you resign."

Mr Dickson: Did you tell him what the content of the conversation was?

Ms Palmer: Yes.

Mr Dickson: What was his reaction? Do you think that he was unaware that that was going on in the background?

Ms Palmer: Allan is such a laid-back character. He is a lovely guy. He just looked at me and said, "Jenny, who can you go to to get this resolved?". I told him that I did not know. I could not go to anybody in Stormont, because I knew the big players from around the Red Sky contracts in the media from the party. He suggested that I should go to certain members, but I told him that I could not as I do not feel comfortable doing that. He said, "Well, look, go and see your MP". Allan told me to go and see Jeffrey.

Mr Dickson: And you did.

Ms Palmer: Yes; that day. I rang Jeffrey on the way from Drogheda. I was not going to attend the Causeway Institute, because I was in Drogheda and thought that it would be quite a full day. However, because of the stress of the telephone call, I left Drogheda at 1.00 pm and arrived at Stormont at just after 2.00 pm.

Mr Dickson: What advice did Mr Donaldson give you at that stage?

Ms Palmer: Jeffrey and I had a private conversation. He said, "Jenny, we just need to make sure that you are protected and that your integrity is intact and protected. As a consequence of that, you need to speak to your board chairman and advise him of the phone call". That is exactly what I did. I met Brian early on the fifth, about half an hour before the main meeting. He said, "Jenny, I think that there is a conflict of interest here, because it is your party that are pursuing the extension of the contract. As such, I am going to ask you to leave before the board begins to discuss it". And that is what happened.

Mr Dickson: Do you know whether Mr Rowntree explained to the board at that meeting why you believed you had a conflict of interest? What was his reason for saying that you were to be absent at that point of time to the board?

Ms Palmer: He believed that I was compromised in terms of the decision that the board was about to take and that I was conflicted with the party line and the board.

Mr Dickson: Is that what he said to the board at that time?

Ms Palmer: Yes. He told the members that I had had a phone call.

Mr Dickson: OK, so he explained that to them.

Ms Palmer: Yes.

Mr Dickson: I just wanted to be clear about that. When Mr Brimstone made his call to you and, I suppose, in the subsequent conversations that you had around that did you believe that this was just Mr Brimstone asking you to do this, or did you think that this was coming from somewhere else and that he was just the messenger?

Ms Palmer: I always believed that, if he was a ministerial aide and a political adviser to the Minister, I did not comprehend that he was speaking on his own.

Mr Dickson: OK. You do not believe that he was speaking on his own.

Ms Palmer: No. That is why I could not go to anyone.

Mr Dickson: OK. When you moved to the situation of your meetings with the party leader and Jeffrey Donaldson — Mr Donaldson was supporting you in those meetings — you told us about an encounter with Gavin Robinson. That is not Mr Robinson's son, sure it is not.

Ms Palmer: No, this was the Lord Mayor of Belfast.

Mr Dickson: Yes, the Lord Mayor of Belfast. Why were you concerned — you expressed a little —

Ms Palmer: I was a little bit shocked to see that I was going to try to resolve an issue in a private conversation, only to walk into a cafe and see that my party leader's solicitor was sitting with Mr Brimstone, and that worried me. I was probably a bit paranoid at that stage and I did not know who to believe; I did not know who to trust. It just did not look as though things were going to get resolved.

Mr Dickson: So you felt that his presence was not a helpful presence.

Ms Palmer: Well, within the structure of the meeting I had no issue; it was just seeing him in the cafe having a quiet chat with Mr Brimstone. They could just be friends, I do not know, but I was concerned and I said to Jeffrey, "I am not comfortable here". He said, "Let's go to another cafe."

Mr Dickson: Thank you very much.

The Chairperson (Mr Maskey): Before I bring in other members, something came up in the last discussion there and, just for the record, I want to try to establish that you referred to an email. This is important because we have had evidence in the last couple of weeks. Is the email that you referred to the email that was from Michael Sands? It is at tab 10 of your packs, members. I will pass you down a copy, Jenny, if you do not mind.

Mr Allister: I have a spare one.

The Chairperson (Mr Maskey): This relates to the evidence that Michael Sands gave that he, in response to a communication from Stephen Brimstone, had contacted the Housing Executive on behalf of Stephen Brimstone. I am just trying to establish whether that is the email that you were referring to which, according to you, Stephen Brimstone was looking for.

Ms Palmer: Yes it was, because it says clearly, "Brian, the Minister's SpAd thinks", not the Minister. I believe that that is the email that Stephen wanted.

The Chairperson (Mr Maskey): I just wanted to put it on the record that that is the email that you were referring to, because it relates to the evidence that Michael Sands gave here a couple of weeks ago, in which he said a number of things.

We will come back: I just wanted to put that on the record.

Mrs D Kelly: I apologise for being late, Jenny. I want to commend you because I know that you have been put in a very difficult situation, and I want to thank you for your integrity on behalf of the public.

There is one other point that I wanted to raise. I note the email from Mr Sammy Douglas, who has absented himself on the basis that there may be a conflict of interest.

The Chairperson (Mr Maskey): We heard that earlier.

Mrs D Kelly: When I came in, I noticed that Jenny mentioned Mr Wilson being at a meeting, and I wondered whether there was any conflict of interest in Mr Wilson being here to ask questions as well.

The Chairperson (Mr Maskey): We dealt with the issue of conflicts of interest earlier —

Mr Campbell: Before Dolores came.

The Chairperson (Mr Maskey): — and, just for the record, and I will not dwell on it too long —

Mr Wilson: Late as usual.

The Chairperson (Mr Maskey): — members are asked to declare any interests that are relevant to the agenda. It is up to them, obviously, to do that. It is my job as Chair to ask that question, as I do at every meeting. It is the members' responsibility exclusively to identify any conflicts of interest that there are. If anybody thinks that there is more to be addressed, they have to take that straight to the Clerk of the Standards and Privileges Committee.

Mrs D Kelly: Chair, I just want to put it on record that, given the approach taken by Mr Douglas and what we now find, it is a matter that should be taken.

The Chairperson (Mr Maskey): OK, we can address that.

Mrs D Kelly: Jenny, Stewart covered a wee bit of this, but it is very clear that you do not believe that Stephen Brimstone acted off his own bat. At some of the tripartite meetings that were facilitated by Jeffrey, with the party leader, Gavin Robinson and Stephen Brimstone, I wonder whether at any time it was made implicit or explicit that Stephen Brimstone was acting off his own bat. Did any of the others say, "Stephen, you did wrong. You stepped out of line, and you should not have done it"?

Ms Palmer: No.

Mrs D Kelly: I must say that I would have expected people to make that clear at such a meeting. Was that your expectation?

Ms Palmer: I had hoped that, because of the views that had been shared in the meeting and the fact that the party leader had said that the way forward was to issue a statement that would protect my integrity and recognise my worth and value on the board, the apology would be forthcoming. The first draft of the apology was sent, and I could not accept it. The second draft was sent, and I could not accept it. When the third draft was sent, Jeffrey and I sat down and went through it, and I amended a few words: instead of "accepting", I said that I would "acknowledge". It went back to Mr Brimstone for his response to my amendments, and the fourth draft that came back was quite lengthy. I responded to the fourth draft, and that went back to Mr Brimstone. I think that I can recall saying in one of my tweets, "24 days, and we are still waiting" and then "25 days and still waiting". That is how long the draft report or statement had been with Mr Brimstone.

Jeffrey attended a barbecue at William Leathem's house — it was a fundraiser for a local charity — and I said to him, "Do you know, I think that Mr Brimstone is seeking legal advice on all this. It has

been with him for that long". Jeffrey said, "You could be right, Jenny, but he has the right to do that". I said that that was fine.

The fifth statement came in draft form, and Jeffrey sat down with me and said, "Jenny, I think that this is the last opportunity that you will have to get a statement out. It mentions that he apologised to you, and it covers other issues". I said, "Jeffrey, it is full of opinion and innuendo, and I am not prepared to stand over someone else's opinions. I only want to deal with the facts as to what I was involved in, and I do not think that I can sign off on that". He said, "Go home and talk to John, Hannah and the family, and then send me an email with your decision". I went home and showed that draft to my daughter and husband, and my daughter said, "Mum, if you sign off on that, the BBC may as well not have bothered to do the programme, because all that that is doing is protecting the Minister. It is not about acknowledging you, and it is not about protecting you". I cannot remember whether I sent an email back to Jeffrey or phoned him, but I said that I was not prepared to sign off on it. I have had no contact since.

Mrs D Kelly: Jenny, do you believe that the situation was more about media management than an actual apology? I noted that you said that, at the first meeting, Stephen had said, "If I have done anything to offend you". That is always a great get-out. Would you share that interpretation?

Ms Palmer: Yes.

Mrs D Kelly: At that initial meeting, is it not the case that Stephen Brimstone admitted, at the private meeting, that he had told you to ask for a Red Sky —

Ms Palmer: He did not actually say that. He said, "What Jenny has said is pretty much what happened". That is basically saying, "Yes, Jenny is correct, and her view on the conversation is the accurate view", as opposed to what he had said previously, because I challenged him on that, and he said, "No, Jenny is pretty accurate in what she says".

Mrs D Kelly: So a written apology should not have been that big a deal.

Ms Palmer: No, it should not have been a big deal.

Mrs D Kelly: I am sorry, Chair, I had one more point that I cannot recall at the minute. Can I come back?

The Chairperson (Mr Maskey): I will bring you back in again.

Mrs D Kelly: Thank you, Jenny.

Mr Campbell: Jenny, I know that this is obviously difficult for you, and it is quite some time since the actual events, but you have been subjected to a series of questions from a variety of people on the Committee. Nobody has asked you about the BBC. I want to ask you about that, because the BBC is the reason why we are here. We have been here for 15 months now, and it looks as though we will be here for another while. The BBC, however, has not had the grace and courage to do what you have done: come and sit before us. However, they arrived at your door. Just take us back over it again. You mentioned that you had spoken to Jim Dillon, an Ulster Unionist councillor. Is that right?

Ms Palmer: Yes.

Mr Campbell: From your understanding, did he act as a sort of go-between? How did the BBC arrive at your door?

Ms Palmer: Jim Dillon and I sit on the executive of NILGA. The guy O'Kane was the producer at the time, and his father is an SDLP councillor. I can only assume that his father said that Jim and I were good friends. As far as I am aware, that is what happened, which is why the BBC bypassed anyone from the DUP to get to me through Jim Dillon.

Mr Campbell: Right. As for the BBC coming into direct contact with you, was the first contact at your front door?

Ms Palmer: Yes.

Mr Campbell: So in terms of the BBC and Councillor Palmer, they arrived unrequested, cold-called and rang your doorbell.

Ms Palmer: Yes. They spoke to my son.

Mr Campbell: Did you bring them in because you did not know who they were?

Ms Palmer: Yes.

Mr Campbell: At that stage, were you familiar with the 'Spotlight' series of programmes?

Ms Palmer: No. As a politician, I am usually out most evenings, so I do not really get to watch television. I probably see the programme that goes out on Sundays, but I do not normally watch 'Spotlight', and I did not watch it this week either.

Mr Wilson: It is a wise thing not to watch the BBC anyway, Jenny.

Ms Palmer: I just do not have the time to watch a lot of television because of my commitments in the political world and my other activities. I did not know the woman from Adam. She looked as though she was a bit annoyed. I did not know her, and I did not know him either. I thought that it was a husband and wife who had arrived at the house.

Mr Campbell: As you are not a regular viewer of 'Spotlight', is it fair to say that you were not familiar with what might be described as the political aspects of 'Spotlight' programmes, particularly down through recent years?

Ms Palmer: No.

Mr Campbell: OK. You said that you watched these clips. Did she have an iPad or something?

Ms Palmer: He had. It was not an iPad; it was an iPhone or some sort of phone. It was only a small screen, but they were able to show me a few minutes of the clips.

Mr Campbell: Thinking back now to the time that you let them in, would it be fair to say that you were surprised when they said who they were?

Ms Palmer: I was, because I did not expect them to tell me that they were from the BBC.

Mr Campbell: Right. Did you do the interview as a result of seeing the clips on the iPhone?

Ms Palmer: Yes.

Mr Campbell: So, if you were now —

Ms Palmer: I told them that they had to leave at 5.50 pm. I told them at 5.30 pm that I had to go to rugby at Ravenhill. There was a match, and I am a season ticket holder. John and my friend were coming to pick us up, because we all travel together. I said to them: "Look, you have been here in the house long enough, and I need to get organised, get my rugby shirt and all on and get to Ravenhill". They said they would give me some sort of back shot that they do for voice-overs and then said, "We'll do that, Jenny, and then we're outta here", and then all the equipment and everything went, and I went to the rugby. I said to John, "I need to tell Jeffrey that the BBC has been, and I have given an interview". I sent Jeffrey a text message. He rang me within about two minutes of receiving it and said, "Right, Jenny, hat did they say?". I basically went over it, and he said, "Right, OK. Leave it with me, and I'll deal with it".

Mr Campbell: You opened the door and discovered who it was because they then told you. You said that you were surprised, and they then showed you the clips. Would it be fair to say that, had they not

shown you the clips, you would have been likely to do an interview? What made you say, "I'll do an interview", whereas, initially, because of your surprise, you said —

Ms Palmer: I said, "I might have to ask you to leave".

Mr Campbell: Yes.

Ms Palmer: I think that seeing the interviews triggered it all again for me. I had been living with it for two years, and no one in the party had addressed it for me. Individuals were in turmoil and grief after Red Sky had been terminated in the Housing Executive, and I was involved with the audit committee and the board. It all culminated when I saw it, so I asked my daughter, and she said, "Mum, you've done nothing wrong here. You go and tell the truth". I said, "Right, OK", and that is what I did.

Mr Campbell: Is it a fair assessment to say that, had they not played the two clips, you would not have done the interview?

Ms Palmer: I cannot answer that because that is looking back in hindsight. I do not know whether I would have done the interview. You are asking me to give an opinion. In hindsight, I cannot say what I would have done.

Mr Campbell: You used the word "vulnerable" when they arrived.

Ms Palmer: Yes.

Mr Campbell: What do you mean by that?

Ms Palmer: It was only because they were in my house, and I knew then who they were. I said to them, "Look, I'm feeling a bit vulnerable". I am trying to recall the phrase that Mandy McAuley used. It reassured me somewhat. I am trying to recall it — it is just sitting there.

Mr Campbell: It is not unusual for a reporter to reassure somebody to get an interview.

Ms Palmer: I have never dealt with reporters. I have never had media training, so I was not aware of —

Mr Campbell: I will move on to the issue of the interview that you did at that time. Did you then take any advice or speak to anybody about whether you should do any more interviews about your participation?

Ms Palmer: I spoke to Jeffrey, and I said to him, "Jeffrey, listen, the BBC were here, and I gave them an interview". He said, "Right, OK. We need to manage that, Jenny. We need to know exactly what you said". He arranged for a PR guy to come to my house on the Saturday and to sit with me. He sat with me, we had tea and discussed the interview. I told him about every aspect of the interview that I could recall. I asked him, "What do you think will happen?". He said, "We need to protect the Minister and you, as an elected representative. Brimstone's toast". He left my house. That was the last time that we discussed it, after the interview was given.

Mr Campbell: You said, in response to a question that, I think, Stewart Dickson posed, that, at the Housing Executive board meeting, I presume, somebody said, "It's your party they're after". Was that Brian Rowntree? Who said that?

Ms Palmer: No. When Brian instructed me to leave the boardroom because I was conflicted, it was because my party was seeking to extend the contract, which would be a conflict for me as a DUP political representative on the board. He believed that it was appropriate for him to ask me to leave the boardroom, which I was comfortable with because I did not want to be seen not to deliver for the party at the time.

Mr Campbell: I understand that, but you said that he used the phrase, "It's your party they're after".

Ms Palmer: No, I did not. I do not think I used that. He said to me that it was my party that was progressing with the extension to the contract.

Mr Campbell: And, for that reason —

Ms Palmer: Yes, for that reason.

Mr Campbell: Right. Did you watch the programme?

Ms Palmer: Yes.

Mr Campbell: All of the programme.

Ms Palmer: Yes.

Mr Campbell: Right. In the wider context of firms other than Red Sky that you have probably heard or read about since, were you aware that the BBC knew about them?

Ms Palmer: Yes.

Mr Campbell: Right, but it seemed to be interested solely in Red Sky.

Ms Palmer: Well, you have to go back in time. When Red Sky was operating and overcharging and the workmanship was poor across the board, not just in certain areas, we zoned in on it because of the whistle-blowing allegation. Therefore, we were carrying out a thorough investigation internally. All contractors will try to overcharge. It is endemic. Whether you are in the Housing Executive, the Fire and Rescue Service, the Southern Trust or whatever, all contractors in the public sector try to overcharge. We were always dealing with overcharging and trying to keep abreast of it. The fact was that Red Sky's was, at that time, much, much, much more serious. There were maybe four invoices overcharging in one job. The evidence was building on Red Sky, but that is not to say that we were not investigating the other companies. From my recollection, Brian Rowntree initiated the work that investigated all contractors to make sure that we had a grip on it.

Allegations also came out of that programme about the mismanagement of housing officials, moneys changing hands and whatever. There was an allegation about Gary Ballantyne and how he and his staff were treated. There was a lot of information, Gregory, but the main issue for us was that we could not allow such blatant abuse of Housing Executive contracts and public money, so we had to make a decision. That was based on all the evidence and all the investigations, externally and internally. When we approached Red Sky to say, "Look, you need to put your house in order. You need to help us through this so that we can help you", it told us to go away, it did not owe us anything and we owed it. At that point in April, we had to make a decision because it was public money and we were charged with looking after public money. There was no other option. We took legal advice. We were not happy with the legal advice, so we took QC advice, which was to terminate. That is exactly what we went to do.

John McPeake would probably be better answering this, but Constructionline worried us in terms of the guarantees around Red Sky's viability in the contracts as well.

Mr Campbell: I was concentrating on the programme. You watched all of the programme. Do you agree that Red Sky was a particular focus of the programme?

Ms Palmer: It was, because it was a particular focus of the Housing Executive at the time.

Mr Campbell: Along with a series of other companies —

Ms Palmer: Not to that extent.

Mr Campbell: We had some information from the chairman of the Housing Executive that said that, in some regards, Red Sky was actually quite good. In dealing with emergency repairs, they were among the best.

Ms Palmer: Yes.

Mr Campbell: In other parts, they were quite poor. You were content with the programme anyway.

Ms Palmer: Yes.

Mr Campbell: I am talking about all of it, not just your part in it.

Ms Palmer: Yes, I was. It was reflective of what we were dealing with.

Mr Campbell: Were you aware of the Rinmore situation in Londonderry?

Ms Palmer: Yes, but, Chair, if you do not mind, I will say this: this investigation is not about Rinmore; it is about Red Sky. Under the terms of reference, I would prefer not to talk about Rinmore.

Mr Campbell: That is fine, but this investigation is not just about Red Sky.

Ms Palmer: No.

Mr Campbell: This entire investigation is the result of one BBC programme amongst a series of others, and the facts of the position in relation to BBC 'Spotlight' are very clear. They have hidden. They have not come where you have come. They have declined every attempt that we have made to get them there. No matter what we have done, they have hidden behind it. They arrived unannounced at your door to get an interview, which they got, and made a series of allegations, which they are not prepared to stand over, so we have a case for the BBC to take. I will leave it there, Chairman.

The Chairperson (Mr Maskey): That is fair enough. I was going to make a ruling on that, but I do not have to. Thank you for that.

Mr Wilson: Jenny, so that Dolores does not burst a blood vessel about some conflict of interest between me and this investigation, we were at the site of the glorious Battle of the Boyne on that day, were we not?

Ms Palmer: We were.

Mr Wilson: That is right. We were celebrating the great victory.

Ms Palmer: You knew nothing about the phone call because I did not relay it.

Mr Wilson: I just wanted you to confirm that. I was not involved in handing the phone to you, taking the phone back from you and you did not raise the issue with me.

Ms Palmer: No.

Mr Wilson: Even though I am an affable chap who, had you raised the issue with me —

Ms Palmer: You were busy that day with Ministers from the South and TDs.

Mr Wilson: I just wanted to set the picture so that Dolores does not feel that there is any conflict of interest between me and this investigation.

The Chairperson (Mr Maskey): You were building bridges across the border.

Mr Allister: And never talked to your SpAd, I am sure.

The Chairperson (Mr Maskey): Let us keep the equilibrium. We are doing OK.

Mr Wilson: You are the only board member who we will have at the inquiry, and it would be useful to get some background from you. How long had the whole Red Sky issue been going on at the board?

Ms Palmer: I was given an appraisal of all the audit work when I became a member of the audit committee. The board was aware of the investigations that were ongoing on different aspects of the business, but we did not have the detail because that lay with internal audit and the repairs inspection

unit (RIU). Apparently, Red Sky had been going back a long, long time. It was historical stuff, but I had no knowledge of any of it; I was dealing with the facts presented to me as an audit committee member from January 2010 onwards.

Mr Wilson: So, it did not appear out of the blue in April 2011. There had been an issue with the board up to then.

The Chairperson (Mr Maskey): Sammy, just so you that are aware, Brian Rowntree will be here. You said that there is no other board member, but he was the chair and will be here.

Mr Wilson: He was the chairman, yes. You also indicated that it was not just Red Sky but that other contracts were being looked at by the audit committee in regard to overcharging, so this was an ongoing issue with a range of contractors.

Ms Palmer: I think that, if you ask any NDPB, board or trust that has a public sector contract, you will find that there are issues with them all because they all like to overcharge. What they do is —

The Chairperson (Mr Maskey): In fairness, that is —

Ms Palmer: Well, most of them.

The Chairperson (Mr Maskey): That is quite a sweeping statement. That is your statement and your opinion.

Ms Palmer: It is, yes. OK. What I will say to you is that, when you go out to tender for a contract and the tender comes back in from the companies and it is minus 15% or 20%, you say, "Go away and do a piece of work and find out why it is minus 15% or 20%. How do they expect to make a profit from winning this tender?". In our experience — it has proven so — overcharging was their way of making sure that they were a viable company delivering the service.

Mr Wilson: You said that you were aware of this since about January 2010.

Ms Palmer: No. I was aware of it before that but not to the extent of audit.

Mr Wilson: From about January 2010, it could have been covered up. Throughout 2010, was there any discussion at the board about requests from the then Minister about the Red Sky situation?

Ms Palmer: No. In terms of what?

Mr Wilson: In terms of the contract, the delivery of the contract and what should be done about the contract. You see, we have a letter that was sent as legal advice to the Housing Executive in November 2010. It said, in respect of Red Sky and the termination of the Red Sky contract at that stage:

"I appreciate there are strong political pressures being exerted".

So, there had been no discussion of that at the board.

Ms Palmer: I cannot recall that that was raised. That is not to say that it was not. As far as I was aware, all of the information was coming from our investigation teams internally and the RIU team. The audit committee decided that, because of the evidence that was presenting itself, we would get the external investigation under way. I cannot recall that letter.

Mr Wilson: Had the board asked for any advice about the termination of the contract as early as 2010?

Ms Palmer: I cannot recall, but that is an operational side of the business that I was not involved in at that level.

Mr Wilson: If it was as extreme as terminating the contract, it is likely that there must have been some discussion at the board.

Ms Palmer: I think that, in the past, the board had tried to terminate contracts with Red Sky because of the same type of practice. I would be giving an opinion on that, and I cannot honestly do that because it is an operational matter that the management team was working through, and I cannot recall.

Mr Wilson: Are you aware of any time or, indeed, any requests from the then Minister about contracts for maintenance that were being carried out by the Housing Executive?

Ms Palmer: No.

Mr Wilson: So, you do not know where this political pressure was coming from.

Ms Palmer: No.

Mr Wilson: Were any reports given to the board, for example about the dissatisfaction with the contract from political representatives, or were representations made from particular areas?

Ms Palmer: You will need to clarify that for me.

Mr Wilson: You have said that, from January 2010 onwards, there was considerable discussion in the board and in the audit committee etc about the Red Sky contract and, indeed, other contracts. What was the nature of those discussions?

Ms Palmer: From my information, when a report came to the audit committee, the report was giving us a brief on where the investigations were going, whether it was likely that it would be passed to PSNI, whether it was fraud, whether it was oversight and what the issues were. We dealt with all of that and gave instruction then to our investigators to go away and do a piece of work. Then we reported back through our chairman to the board that that was the process that we were involved in. Board members who were not on audit would not necessarily have known all the fine detail of the investigations at the time, but they would have been kept informed of issues that were coming to light as we moved through the business.

Mr Wilson: In response to one of the first questions asked by Jim, you said that, as far as you were concerned, you were not aware of any sectarian motive being attached to the whole contract.

Ms Palmer: Yes.

Mr Wilson: This is where I want some clarification. Later on, Jim asked you about why you did not contact other senior members of the party, and you indicated, "I knew the big players in the DUP and their views around Red Sky".

Ms Palmer: Yes. Let me elaborate on that. That was not about sectarian issues; it was about the issues that were being presented by our political representatives, who were involved in Red Sky, trying to save the Red Sky contract and extend it. That was in terms of the issues that were presenting to our local representatives and to you as TUPE and redundancies. It was not anything to do with sectarianism.

Mr Wilson: How did you know that? How did you know what their views were?

Ms Palmer: That is what was in the media. That is what you were all concerned with. Sammy Douglas, Robin Newton and all of them said that they were concerned about job losses in east Belfast and across the Province if Red Sky's contract was terminated, so —

Mr Wilson: You see, Jenny, this is where I find it difficult to understand the answer that you gave. If you were so past the media stories about what had been expressed about Red Sky, you would have found that most of the media stories — all the controversy around Red Sky — was generated because of sectarian attacks on Red Sky workers and attempts to get Red Sky out of west Belfast because it was a Protestant firm. If you were aware of the TUPE issues —

Ms Palmer: That was in the final stages.

Mr Wilson: The TUPE issues were there. If you were aware of them, you must have been aware of what gave rise to the controversy in the first place. The two were never separated in the media. If it was through the media that you got it —

Ms Palmer: I know. You did not ask me about that direct link in terms of the issues around Red Sky. I know of all the issues around Red Sky, in terms of the sectarian comments that were made because Red Sky was doing poor work in what were deemed to be nationalist areas. As we moved through the investigation, it was proving that Red Sky was actually failing in areas that were not nationalist. The overcharging was continuing. Sammy, to say that I was trying to equate it with sectarianism is not right; sectarianism was never mentioned in the board or on audit. It was a fact that this contractor was under scrutiny and was failing to deliver. Even Peter Robinson, in our private conversation, said to me, "Jenny, are you aware that 400 jobs will be lost?". I said, "Peter, you know and I know that 400 jobs are not going to be lost because TUPE is applying". Nearly every member, except for directors and a few rogue workers who were doing the double, were actually going either directly into the direct labour organisation (DLO) or into the other contracts. So that was unfair, and it certainly was not accurate.

Mr Wilson: No, but Jenny, what I am trying to ascertain is this. There has been a blanket denial, in retrospect, from Housing Executive officials that they were aware of any sectarian motive behind all this. You said exactly the same — that you were not aware of any sectarian motives — but you also indicated that you knew that a number of big players in the DUP had been around the Red Sky issue. You knew that from the media, and the media were full of those sectarian allegations. So —

Ms Palmer: Yes, but I knew that it was not true; that is what I am saying. It is not that I did not know of all the media around it. I am saying that I knew that it was not true from my experience on the board and on audit. It was never mentioned to me that this Red Sky group was a Protestant firm that was being picked on simply because of that. I was never informed of any of that. In fact, it was as Project Young that I knew it. I did not even know the name of the contractor at the time. We were trying to make sure that contractors, at the time, because we had not built a case, had protection. Therefore, they were given codes such as Project Young, Project Amber — whatever you want to call it — so I did not even know the breakdown of the workforce or anything about the links with a Protestant workforce, until we were working through it and got to the stage where we were going to terminate the contracts.

Obviously, the media around it was pretty emotive because Robin Newton, Sammy Douglas and all of them had come out and said that they were worried about a loss of jobs. We had set in place, although it was somewhat slow, a process to make sure that the workforce was protected.

Mr Wilson: But the media made it quite clear that one of the reasons why the issues were being raised was that this was a Protestant firm that was being attacked and, in some cases, it was alleged, wrongly accused of things in west Belfast. So you were aware that it was a Protestant firm.

Ms Palmer: Only then.

The Chairperson (Mr Maskey): Would it help you, Sammy, that Jenny earlier referred to a "sectarian card" being played? That may help with your posing of the question.

Ms Palmer: A lot of people in this inquiry have said that there was a sectarian motive for Red Sky to be terminated. I hold up my hand and will take an oath that, in all of my work on the board, audit and investigations that led to external reports, I never once knew that this firm was Protestant with a Protestant workforce from east Belfast. I never once heard a single officer, director or board member discuss an issue about that. I love my culture. I am a Protestant and proud of it. I am an Orangewoman. As a housing councillor, I have challenged the board many times about the religious bias in the breakdown of its workforce. I have received assurances about the processes that were set up to address all of that. Therefore, I never once heard about that until it was mentioned in the media. I cannot speak for others, but I certainly cannot remember or recall one person ever saying to me that, "We are getting rid of Red Sky because it is a poor company and it is full of Prods". That did not happen.

Mr Wilson: Tell me this, and this is not hearsay or anything like that: did the board ever express any concern or raise queries about why, quite clearly, through the leaking of letters that the chairman sent to the permanent secretary, bits of reports that found their way into the 'Andersonstown News' and other leaks to the press, some Housing Executive officials seemed to have such a vendetta that they used the media and leaked confidential information?

Ms Palmer: You see, it was never proven who leaked the confidential information to the media. My recollection of the conversation around the boardroom was that there were serious issues about information being shared with the media and the fact that the letter from Will Haire was shared as well. The board members did not believe at the time that that was leaked through the Housing Executive and thought that it may well have been leaked from here. I can see how it could have been leaked from here, because the last section of my personal statement to this inquiry, where I said that a report had been buried in the DSD, was in the news a month ago, before I even got to give this evidence. Therefore, leaks were coming from within the Department and from others and from within the Housing Executive. Remember, the morale of Housing Executive staff was at rock bottom over all this, because they felt as though they were being punished for 40 years of excellent work; they were being punished because of poor contractual management. We acknowledged the poor contractual management. Also, it was the Northern Ireland Housing Executive — not the Department, the Northern Ireland Audit Office or any of the officials sitting around the table in audit or in Housing Executive business — that initiated the inquiries and the investigations. It was Brian Rowntree and the board who set in place investigations, and, to his credit, it was a hard, tough line to take because there was management there that just did not want to play ball. So —

Mr Wilson: Jenny, the only problem with that explanation is that the letters were leaked long before they were ever received here. They clearly did not come from the Committee or Committee members.

Ms Palmer: I would not say that it did.

Mr Wilson: You were just saying that you thought that they could have been leaked from here.

Ms Palmer: No, I am talking about my own.

Mr Wilson: These letters were leaked. What I am trying to get at, first, is that there were allegations in the press that there was a sectarian campaign against Red Sky while, at the same time, your audit committee was looking at overcharging of other firms. Yet, the board did not seem to take any cognisance of that; you are telling me that it was never raised. There was leaking of letters, which, obviously, justified the Housing Executive's position on this —

Ms Palmer: Can I clarify that?

Mr Wilson: — and that was not queried by the board.

Ms Palmer: It was.

Mr Wilson: It was queried by the board. And the explanations —

Ms Palmer: The sectarian card was queried.

The Chairperson (Mr Maskey): Just take your time, and you can answer fully.

Ms Palmer: The board knew the conversations that were out there and the allegations around sectarianism and the Housing Executive's view on it. The board was well aware of all the issues that were permeating in terms of sectarianism in the Housing Executive on the Red Sky contract. We all knew that, in the ether, it was all floating around that this was a sectarian move by the Housing Executive to rid ourselves of a contractor with a Protestant workforce.

Mr Wilson: But you say that you did not know that it was a Protestant workforce.

Ms Palmer: I did not at the time until it started to permeate and until all the evidence started to come out. I did not know at the time, early in the investigations. I knew nothing about the religious bias and breakdown of any of those companies. I was quite shocked when I heard what it was.

Mr Wilson: At what stage would this have been known?

Ms Palmer: To me?

Mr Wilson: Yes.

Ms Palmer: Just whenever it started to permeate out that there were issues around sectarian views. I cannot recall the actual date, but it was only when it came out of the ether and into the arena where it was being said that the Housing Executive was doing this out of sectarian bias. I was offended at that, because I had worked on that audit committee and had given my heart and soul to those investigations only to be told that I was party to a decision by the board of the Housing Executive based on sectarianism.

Mr Wilson: Did it strike you as odd that a proposal was being made to terminate the contract and hand it over to other firms that were partners in the maintenance arrangements, whilst you were already aware that, as you have said, there were investigations by the audit committee of other contracts with regard to overcharging? Were any questions ever raised at the board that you might actually be allocating these contracts to companies that you were already investigating for overcharging?

Ms Palmer: You have to conduct the business of the Housing Executive with the hand that is dealt to you in terms of the contracts that had been leased and were being managed. Yes, while all contracts tended to have a bit of overcharging, it was nothing like what was happening with Red Sky. Red Sky would not communicate with us; it would not even agree our findings with the reports. It was at that point that we had to say, "Look, we cannot allow this to continue because it will seriously damage the reputation of the Housing Executive". Throughout all of it, DSD was involved in all of the meetings. I nearly remember that DSD officials were involved in the meetings around the issues with Red Sky for months before we made the decision to terminate the contract.

Mr Wilson: I just want to get a picture of the mindset of the board here. There was never any serious querying that we might actually be handing —

Ms Palmer: Of course there was.

Mr Wilson: — this contract to people who were already being investigated for overcharging, whether to the same extent as Red Sky or not.

Ms Palmer: Yes, it is always at the back of your mind about the board's decisions to make the judgement call on that. What were we to do? We could not go out to mini tender; we could not go out to procure new contractors; and we were in a difficult position where we had to adhere to the profile of the DSD in our spend and in managing those contracts, which were difficult to manage because they were Egan contracts. Really, they were not a healthy contract in hindsight. We had to make the decision that we needed to deal with Red Sky, because Red Sky was the one that was there; that was really prevalent in terms of the malpractice around it all. We decided that, in the interests of the best thing to do to protect public money and to protect the integrity and business of the board, it would have been wrong for us to have kept them on when we found that they were neglecting to even listen to us and try to resolve the issues. We had to remove them. Yes, some of those workmen and women transferred to other contractors under TUPE arrangements and the rest were absorbed into the direct labour organisation within the Housing Executive, but that is the risk you take in business when you have to deliver contracts and a programme of work and you have to be seen to be spending public money wisely.

Mr Wilson: That is the other bit that I cannot understand. Maybe you can explain this to me. The complaints, and you have already told us this, were not just about overcharging. The complaints were about the inability of the workmen to do jobs properly. Was there no concern that all you were doing was transferring bad workmen from one company to another, and so there was going to be no change in the performance on the ground? Tenants are still going to get bad jobs done.

Ms Palmer: It is opinion about how many of those workmen were performing badly. Could you identify individually who would perform badly? We had a duty of care to protect the workforce within the contracts under the procurement rules; therefore, the only options that were available to us were to take that risk and hope that the other contractors who were bringing those new employees in would

have managed those employees and seen through the contracts without adversely impacting on them. That is all that you can hope for in the hand that is dealt.

Mr Wilson: But it was not an opinion, according to what you said earlier, that the workmanship was poor.

Ms Palmer: Yes, the workmanship was identified as being pretty poor in certain areas. Even after Red Sky was terminated, in 2012, I think, there was an issue with heat, electricity, electrical work — I cannot recall.

Mr Wilson: Colm McCaughley, when he was here last week, indicated that the reasons why the workmanship was poor and the reasons that were given to the board were that Red Sky had overstretched itself, had taken on too much work and was employing people who were not skilled to do the work. Yet, although an alternative was suggested by the Minister, the board decided to uncritically allocate the contracts to firms that were already under investigation for overcharging and to transfer workmen who, the board knew, because the officers had told them, were delivering poor workmanship because Red Sky had overstretched itself and was employing people who were not properly qualified. Was the alternative that was suggested by the Minister, which, as we will come to in a minute, Stephen Brimstone was at least trying to encourage some discussion on, never seriously looked at by the board?

Ms Palmer: Of course it was.

Mr Wilson: They were quite happy to hand over —

Ms Palmer: All of the options were placed in front of the board for a decision to be made. Based on the evidence that was presented, we took the decision to terminate the contract. We did not take it based on conjecture or opinion. We based our decision as a board on the evidence presented to us on the findings of the reports.

Mr Wilson: This is where the controversy arose and where Stephen Brimstone comes into the issue. The Minister had made a suggestion that, since the same workers were going to be used and there was a danger that companies that may have been guilty of equal overcharging or maybe even greater overcharging — the evidence had not been completed by the audit committee at that stage —

Ms Palmer: That piece of work was only beginning.

Mr Wilson: Yes, that is right, so you did not actually know. I am glad you have confirmed that, because that does not seem to be the impression we got from other Housing Executive officials. The work was only beginning, so there could have been other firms that were guilty of far more than Red Sky, yet the board was thinking of simply transferring work to them because they said that that is what had to happen under the contract. Was it not a reasonable proposition in those circumstances to allow proper procurement procedures to arise and be undertaken so that the current contract, because they were going to use the same people anyway, was kept with the firm, which would be much more closely supervised, to allow the extension period to allow proper processes for the procurement of new people to do the job, rather than the jump into the dark of handing over to firms that may have been guilty of more overcharging and would be using the same unqualified workmen anyway? Was that proposition ever considered by the board?

Ms Palmer: It was.

Mr Wilson: In your view, is that not as reasonable as saying, "No, transfer all these inadequate workers to another firm that may be guilty of far worse"?

Ms Palmer: You are inferring that all of the workers were inadequate. You are also inferring that —

Mr Wilson: No, all of the workers were going to be transferred, Jenny, that is what I am saying.

The Chairperson (Mr Maskey): Let Ms Palmer finish answering the question.

Ms Palmer: Can I just make a comment about what you said? If the Department, the Minister and Housing Executive had all come to the conclusion that that firm was behaving badly in contract, in overcharging and in workmanship, it beggars belief that anybody would want to keep it, spend public money further and damage the reputation of the Housing Executive further, irrespective of the TUPE transfers. You, Minister, have spoken to me at length on many issues about procurement and about the difficulties we have in the European Union and the official directives that we have for dealing with poor contracts. It was not specifically about the Housing Executive; it was about INTERREG, councils and funding in a different lifetime. Are you saying to me that it would have been appropriate for us to go along with the line of the Minister, keep a bad company there and spend more public money badly?

Mr Wilson: That was not the suggestion. The suggestion was that the contract be extended until a new contractor could be put in place and there could be proper supervision of that. It would be less disruptive, but it was no less of a risk than handing over to people who you have already admitted were under investigation for overcharging and who would be using the same workmen — some of them good and some of them bad — as were being used on the existing contract.

Ms Palmer: The Northern Ireland Housing Executive has a responsibility, under the Department, to spend public money wisely. If there were whistle-blowers and if routine inspection units were telling us that some of the work was poor, the chairman directed us to look at investigating or reviewing that work. While all that work is ongoing, it is a natural progression of the business to try to keep on top of the management controls around it. That is not to say that there were rogue elements in the Housing Executive who were disciplined for malpractice and for behaving inappropriately around contracts, but the Housing Executive, I think, did the right thing in terminating the contract based on the evidence. I can only go on the evidence that presented to us at the time, which was pretty serious. The Housing Executive spoke, and I cannot recall who went to meet Red Sky. It might have been Stewart; I cannot remember. But I know they met them and said, "Listen, here is the evidence. We need you to address the evidence and to set a plan to recover the overcharging". They told us to go away and scratch our heads and basically said that they did not owe us a penny and that we owed them money.

Mr Wilson: Maybe there is some justification; I do not know enough about the amount of overcharging or undercharging that there was. However, there was chaos that existed in the Housing Executive and, on another occasion, the Housing Executive had claimed that Red Sky owed it £300,000 or something and settled for £20,000. Indeed, in November 2010, your own legal adviser said:

"We know from experience, however, that even though there appears to be many obvious discrepancies in relation to work carried out, the position can often radically change when input is sought from Red Sky. My concern would be that what starts out as a very substantial claim results in a much reduced figure which, when taken as a percentage of the overall contract, is not perceived by a Court to be a fundamental breach."

So, even your own legal adviser, on the basis of the information that had been supplied by the Housing Executive, was not as sure as you are today when you are telling us that, as a member of the audit committee, you were damn sure that they owed you piles of money.

Ms Palmer: No, sorry. Let me confirm: based on evidence provided to us by external and internal reports, I was not damn sure of anything except the evidence presented to me, which I had to make a judgement call on. In terms of extrapolated figures based on samples of work that were carried out, that is an operational issue that I am sure John McPeake can address for you. I do not get involved in the operational side of the Housing Executive business. I scrutinise it, challenge it and make sure that the risks are identified and that we are trying to address the issues. I certainly cannot say that I did anything inappropriate in terms of —

Mr Wilson: No, I am not saying that you did anything.

The Chairperson (Mr Maskey): I am going to move on. I will let you finish that line, but I am moving on to other members.

Mr Wilson: I am not saying that you did anything inappropriate. My concern is not about your behaviour. My concern is about the dysfunctionality of the officials, the structure in the Housing Executive and the information that then went to the board and how the board handled that.

Ms Palmer: That is the reason why we took external review on it all. We knew that there were serious issues with management and with certain members of Housing Executive staff, and we were dealing with all that internally. In fact, internally, we kick-started that whole process and, as a consequence of that, DSD came on board and the whole thing took on a new light. But, do you know something? As far as I am concerned, the evidence was presented to me from external reports and to the audit committee, which then had to go to the board and tell them that those were the findings. Donald probably better explained the extrapolated figures and the actual amounts that we could recover based on the evidence of the 300 samples or whatever it was that we took, but the legal advice is always crucial and important in the final settlements. I am sure that you know that yourself. Sammy.

The Chairperson (Mr Maskey): OK, Sammy —

Mr Wilson: Was the uncertainty that we have here from the legal advice that was given to the Housing Executive — I assume, based on the information that it passed to the legal adviser — at any stage —

Ms Palmer: We never sat on our laurels. If we received legal advice —

Mr Wilson: Did you ever receive that —

Ms Palmer: — and thought that it was not strong enough, we would have gone out to QC to make sure that we were sure about the decisions that we made. I think —

Mr Wilson: Was that QC advice ever given to you?

Ms Palmer: I cannot recall, but I am sure that John will. All that I will say on that matter is that I believe that the timing of the phone call that was made to me by Mr Brimstone was because all the legal arguments had been exhausted between the Department and the Housing Executive, and the Housing Executive was still going to remove the contract. I think that, as a consequence of all that expertise and legal advice being taken, I was contacted as the smallest wheel in the cog and as a sacrificial lamb. Those are not my words, but those of one of my colleagues. I was deemed to be probably worthless in all of this, but it was a case of phone Jenny Palmer and she will go against the decision of the board. That is my opinion, and I do not think anything will change that now.

Mr Wilson: Just one last question.

The Chairperson (Mr Maskey): Sammy, sorry. I will let you back in again later.

Mr Wilson: Just one last question, and I will be finished. I will not be coming back in again.

You talked about your relationship with the party and said that you could not go to anybody or trust anybody — I think that was the term you used. It was not that bad, though, because you stood as a councillor again for the party, did you not?

Ms Palmer: Sorry?

Mr Wilson: It was not that bad; you stood again as a councillor for the party.

Ms Palmer: Yes, I did, and I had great support locally from my Lisburn colleagues. I have great friends in the party — I hope that you are one of them, Sammy — but there are also people in the party who behave badly.

The Chairperson (Mr Maskey): Obviously, it is a difficult area. I appreciate that it is very sensitive for everybody.

Before I bring in members and let others back in, I want to ask a couple of questions to try to weave through some of it. You addressed this point in some of your previous comments. You are here speaking for yourself but also on behalf of the Housing Executive and its audit committee. Are you satisfied that all the work you engaged in with regard to the Red Sky contract was professionally based?

Ms Palmer: Yes.

The Chairperson (Mr Maskey): And all decisions were professionally based.

Ms Palmer: Yes.

The Chairperson (Mr Maskey): You outlined earlier that you spoke to a range of people from Jim Dillon and Allan Ewart right through to Jeffrey Donaldson and others, including the party leader at a meeting. You outlined the range of those conversations. In your evidence, you said that Stephen Brimstone confirmed or verified, whatever way you might use the word — you picked the word not me — that your version of the telephone call was correct.

Ms Palmer: Yes.

The Chairperson (Mr Maskey): There was a discussion around an apology to you. I extrapolate from your version of the conversation and take your word at face value that Stephen Brimstone confirmed that that was the substance of that conversation. Did anybody, at any time, say that that intervention should not have been made and that it was totally and wholly inappropriate?

Ms Palmer: No.

The Chairperson (Mr Maskey): OK. You mentioned earlier the PR guy who sat in your house and explained whatever it was; I think that arose through Jeffrey. Will you elaborate on who he was? Was he a consultant? If I remember correctly, you said that that person said that Stephen Brimstone was toast. Was he —

Ms Palmer: That is what he told me.

The Chairperson (Mr Maskey): — a private consultant?

I understand that. Again, these are very sensitive issues, and we have all addressed that. But, we are all adults, so we have to face up to these things. Will you elaborate on the PR guy? Where did he come from?

Ms Palmer: He was in the DUP PR team.

The Chairperson (Mr Maskey): OK. I want to bring you back to the email that was referred to earlier. This goes to the evidence that Michael Sands presented, because the email is from him and he gave evidence about passing on the information or recommendations from the SpAd. You said earlier that it was an official who spoke to you about searching out that email. We have on this list the people who were cc'd into it, although, actually, it was Michael who sent it. Can one presume that it was Michael who contacted you about the email? We will have to go through all those people and invite them to clarify that one way or the other. It is actually quite important. Are you able to elaborate on that earlier conversation?

Ms Palmer: I am not going to tell any lies. Michael Sands was at the housing regeneration committee as a DSD official and had lunch with me afterwards. It was him who asked me whether I knew anything about an email. I told him that it was his office that sent it. I then asked him a personal question: I said, "Where you in the room when Mr Brimstone rang me?" He said, "Most definitely not, Jenny." I asked him how, then, he had found out about it. He said, "Mr Brimstone came to me personally, and he told me the very next day that he had phoned you and instructed you to go to the board to ask for an extension of the contracts and stand against the board." Those were Michael Sands's words to me. No one has asked Michael Sands that question. Jim asked him when he knew that I had been phoned, and he told him that it was the next day, but no one asked him how he knew. Michael shared that information with me at the same time as I shared that information about the email with him. I know that that email to him that caused Mr Brimstone such panic in the Department was because I had reported it in this report that I have never seen, and that information was shared. That is the whole truth of everything that I have been trying to deal with.

The Chairperson (Mr Maskey): I appreciate that, and it has been a long session for you. It has been quite a grilling, but you will appreciate that these matters are quite important —

Ms Palmer: They are.

The Chairperson (Mr Maskey): — and all the members have questions that they want to ask. One or two members want to come back in, so, if you do not mind, the session might last a little bit longer. I appreciate the sensitivities. To a certain extent, it involves internal party business, and that is not easy for anybody to deal with. Everybody around the table is from a political party, so they can understand the stress involved in that. We appreciate the way that you are responding professionally, in the same way as members are posing questions. I will now bring in other members.

Mr F McCann: In a number of these meetings, there has been an attempt — I think that you said it — to try to play a sectarian card and to focus on west Belfast. I am looking at some stuff that relates to 3 Rathcoole Drive, 44 Rathmore Drive, 245B Derrycoole Way and 17 Longlands Walk. All had issues of overcharging and many of them involved poor workmanship. I also asked a question last week about something that I think that you mentioned earlier, Jenny. Under a different name, Red Sky had a contract with the Housing Executive in, I think, the Shankill area and, again, there was poor workmanship and overcharging. There was no question of sectarianism in and around that, but, it seems that, when it came to west Belfast, that was the case.

I want to cover one other thing. I know that you have spoken about the Housing Executive, but I have always said and believed that the Department has walked away scot-free from most of this. Yet, the Public Accounts Committee was critical and stated it was:

"astounded by the Department's admission that the contracts being used by the Housing Executive were inappropriate and out of date and that opportunities to strengthen them were missed".

Does it not surprise you that a Department, which has a Minister who oversees it, should not also take responsibility for it? The other thing is that the impression that has been given here is that the Housing Executive is a very poor organisation and all the rest. Can you comment on that?

Ms Palmer: For 40-odd years, the Housing Executive has been upheld in all the communities for its fairness and for delivering housing and services based on need. Much of the Housing Executive's work is outside the area of contracts. That is only one small snippet of the work that the Housing Executive does. Yes, the Egan contracts were difficult. That form of contract did not come in with devolved government; it came in long before it. It was an English thing. These contracts were apparently easier to manage, supposed to give quicker resolutions, would do away with cowboys on the streets and would improve the work. So, essentially, it did tidy up and it brought a better, more constructive contract, but I think that there was an oversight in terms of how it was managed. There was a gentleman's agreement around it all, and that was something that the Housing Executive, and I am sure others, learnt to their regret.

I am sorry, I have lost track of my thoughts. I think I might have answered most of —

Mr F McCann: What about the Department's role in the whole thing?

Ms Palmer: The Department oversaw the Housing Executive's work, and so did the Northern Ireland Audit Office. They signed off on the work every year. At the end of every financial year, the executive was given a clean bill of health. So, where was the challenge from within the Department or the Northern Ireland Audit Office at the time? In fact, at one point, I asked a member of the Northern Ireland Audit Office at the audit committee how independent he was. So, there are lessons to be learnet for everyone within the sphere of public sector; there are lessons to be learned for us all.

Mr Allister: There are just a couple of points that I want to touch on. I will just pick up on something that Sammy Wilson put to you. He was suggesting that, really, all that Mr Brimstone was doing was suggesting a sensible way forward and that, if you had this experienced contractor, what was the problem with extending the contract? Of course, the contractor, by that stage, was in administration. Is that not right? This Committee has had evidence that, for some, the period of extension was motivated by providing an opportunity for that company to re-form itself. Were you aware of that?

Ms Palmer: Yes.

Mr Allister: And, since these were framework contracts, was there not a term that, if someone fell off the edge of the table as a contractor, the work went to the other contractors?

Ms Palmer: That is right, yes.

Mr Allister: That is exactly what the Housing Executive was supposed to do.

Ms Palmer: That is exactly what we were supposed to do, yes.

Mr Allister: Can I ask you about the meetings that you had with Mr Robinson? I take it that those were all after the programme.

Ms Palmer: Yes.

Mr Allister: And the talk about an apology was at those meetings.

Ms Palmer: Yes. Well, the first meeting was to ascertain and to give my account to the party leader with Jeffrey. Then he said he would have to speak to Stephen. After that, Jeffrey rang me and said, "Peter would like to meet with both of you". Peter had asked me if, when I meet Stephen, it would be appropriate for both of us to come together and talk to him. I said that I would certainly do that, as long as Jeffrey was —

Mr Allister: Yes. The Chairman asked you this, but I think it is very important for the purposes of one of the questions that the Committee has to address. You said that, at that meeting, Mr Brimstone accepted that your account —

Ms Palmer: That my account was more accurate.

Mr Allister: Did that include you telling that meeting that he told you, "The party comes first"?

Ms Palmer: Yes. I repeated it verbatim. I repeated the statement that I had received from the telephone call from him. I repeated his words verbatim.

Mr Allister: Including "The party comes first".

Ms Palmer: Including "The party comes first".

Mr Allister: And "There is no point in you being there" etc. And "We need you to do that". All of that.

Ms Palmer: Yes.

Mr Allister: And Mr Brimstone accepted —

The Chairperson (Mr Maskey): I am sorry, Jim, slow up and let Ms Palmer respond. There is a bit of pressure there.

Mr Allister: Mr Brimstone accepted that that was what he had said to you.

Ms Palmer: When Peter said, "What have you to say for that, Stephen?", Mr Brimstone said, "Well, you know, Jenny's account is pretty much as it was".

Mr Allister: Did he dissect it at all, or did he change it at all?

Ms Palmer: No. He acknowledged —

Mr Allister: He had the opportunity to do that.

Ms Palmer: He did, but he did not. He just said that yes, my account was reflective of what had been said.

Mr Allister: And then you expected to flow from that a public apology and statement.

Ms Palmer: Yes.

Mr Allister: And that ran into the sand at the fifth draft, is that right?

Ms Palmer: Yes. Then, I had said to Jeffrey that I believed that, because of the time it took to get Stephen's response back — we were toing and froing, and I was getting very impatient and very stressed about where it was going — I was afraid at one point that the draft would be issued by the party without my consent. It was always agreed that the consent would come from Stephen and me and that the mediators would be Gavin and Jeffrey. I was afraid at one point that, when I read how it went from two pages to four pages and became opinions, it was getting out of control. I wanted to take control of it again, and I said to him that I was not happy with it, that I thought that Stephen was taking that length of time to consider my amendments and that I believed that he was taking legal advice on it. Jeffrey said to me, "You could be right, Jenny, or he could just be taking his time to look at it".

Mr Allister: Have you any difficulty in sharing those drafts with this Committee?

Ms Palmer: Yes, because, obviously, I gave a commitment that the draft would not be released until Mr Brimstone signed off on it.

Mr Allister: OK.

Ms Palmer: Therefore, it is something I said that I would adhere to.

Mr Allister: I understand.

Ms Palmer: The worry I had was that, possibly, because of the way it was going and the structure within it, the party might release the document without me signing off on it. I took legal advice on that.

Mr Allister: OK, I understand. Now, you gave the interview to the BBC when it came, it has been suggested, doorstepping you. You gave that interview, and then you reported to Jeffrey Donaldson that you had done so. He used words to the effect that, "We will have to manage this". The next product of the management was that one of the party's press officers arrived down to your house.

Ms Palmer: Yes.

Mr Allister: Do you want to tell us who that was?

Ms Palmer: Not particularly, unless it is essential.

Mr Allister: We probably cannot say that it is essential.

The Chairperson (Mr Maskey): It is not essential, I would have thought.

Mr Allister: OK. Shortly after that, was a letter sent from a solicitor to the BBC on your behalf?

Ms Palmer: Yes.

Mr Allister: Was that a product of that meeting with the PR man, or was that a consequence of something else?

Ms Palmer: No, I think the initial meeting was just to get the details, and then we had another meeting. I am trying to recall it.

Mr Allister: That is OK.

Ms Palmer: At that point — no, it was the second meeting — it was suggested to me, in order to protect me, that it would be better if we sent a letter to the BBC to ask whether — I cannot remember the phraseology — the letter, basically, was to say —. Have you got it there?

Mr Allister: No. What I have is the transcript of the programme. At one stage, Mandy McAuley says:

"Shortly after our first interview with Jenny Palmer we received a solicitor's letter, saying she was unsure which of her remarks were on or off the record".

Ms Palmer: They asked me to clarify that so that they knew — so that someone could go with me and be invited by the BBC to come and peruse what it was going to use in the programme.

Mr Allister: Who sent that letter?

Ms Palmer: Well, it was sent on my behalf from the party.

Mr Allister: Did you instruct the solicitor?

Ms Palmer: No. They instructed.

Mr Allister: Did you ever see the solicitor?

Ms Palmer: No.

Mr Allister: Do you know who it was?

Ms Palmer: I do, yes, but I cannot remember because it came to me through his email to sign off on it.

Mr Allister: Right.

Ms Palmer: I am trying to remember the sequence of it, because it was suggested that, to protect me, in the programme that was to go out, the BBC clarify what was on and off the record and was to be used in the programme. The BBC refused to allow anybody to come with me. It invited me down to look at it and said that it would absolutely compromise the programme if I was to bring someone else. However, it was happy to share with me the data that was to be used.

Mr Allister: And you saw that.

Ms Palmer: I did not need to because I know what I said, so I did not take up the offer. In fact, latterly, I did not see any point to the letter in the first place. Mandy McAuley contacted me and said, "Jenny, is there any possibility — I know you have sent the letter, and it asked whether it was on or off the record — but, since we have dealt with all of the issues, can you send me a letter of support to say that you are happy that the content to be used is agreed". I sent something off to say that.

Mr Allister: You did that.

Ms Palmer: I did, yes.

Mr Allister: In the programme, she said:

"Against the wishes of her party, Jenny Palmer subsequently wrote to us herself to say she was happy to stand over all her remarks and then gave us a second television interview."

Ms Palmer: Yes.

Mr Allister: So, is that statement accurate on her part?

Ms Palmer: It is.

Mr Allister: And you did that against the wishes of the party.

Ms Palmer: Well —

The Chairperson (Mr Maskey): Sorry, but that was Mandy McAuley's reference.

Mr Allister: That is why I asked whether it was accurate.

The Chairperson (Mr Maskey): Yes.

Mr Allister: She said that.

Ms Palmer: That I had written to her.

Mr Allister: She said:

"Against the wishes of her party, Jenny Palmer subsequently wrote to us" —

Ms Palmer: My party had told me not to make any —

Mr Campbell: Chairman, that would really be a question to go to Mandy McAuley and is another reason to have the BBC here.

Ms Palmer: My party and the people representing me, who were obviously trying to resolve and get the picture, said to me, "Jenny, please don't make any more contact with the BBC". So that is obviously, maybe, what that statement refers to.

Mr Allister: We will leave the party out of it. Are you happy that Mandy McAuley was correct when she said in the programme:

"Jenny Palmer subsequently wrote to us herself to say she was happy to stand over all her remarks"?

Ms Palmer: Yes, because I told the truth. It was nothing that I had not told —

Mr Allister: Then you gave a second interview.

Ms Palmer: I gave a second interview for a programme that I do not believe has been aired, although part of the interview was with me walking along the country lane in Hillsborough. I cannot remember what it was.

Mr Allister: Just to go back to the solicitor: you did not choose the solicitor, you did not pay the solicitor?

Ms Palmer: No. I do not know who did.

Mr Allister: Who got the solicitor, do you know?

Ms Palmer: Obviously, the solicitor was sought by the two people who were in my sitting room at the time and suggested it.

Mr Allister: They were Mr Donaldson and this PR person.

Ms Palmer: Yes. I said, "Why would I need to do that?", and they assured me that it was to protect me.

Mr Allister: In retrospect, do you think that that was right?

Ms Palmer: I have thought long and hard, and I suppose that I thought afterwards, when I went through the process and the BBC refused, anyway, to allow the access, that it was not productive. That is why I wrote the letter of support, still to make sure that I had spoken the truth and would stand over my statement to the programme.

Mr Allister: I have just one final point. The report that was the product of your interview with DFP, with Mr Lewis and Mr Mulligan, did not make clear to me what you were asked to look at and sign off. Was that the finished report?

Ms Palmer: No, it was my statement.

Mr Allister: It was simply your statement.

Ms Palmer: It was my statement to them on the interview that was conducted with me by those two, during which one dictated and the other interviewed.

Mr Allister: Right. Whereas, your expectation was and is that you would finally see the ultimate report.

Ms Palmer: Yes.

Ms Palmer: And that is being withheld from you.

Ms Palmer: Yes. The Housing Executive had an away day, and the permanent secretary was invited to the dinner. Upon getting up to leave, he came across and kissed me on the cheek and said, "Jenny, how are you?". I said, "I am fine, Will. Can you tell me where the report is and why I have not got sight of it?". He just shrugged his shoulders, and I inferred from that that he could not send the report to me.

Mr Allister: You do not know where it went.

Ms Palmer: I do now. I know that it went to the Minister, and I thought that the Minister would allegedly have been conflicted because of all the issues. I thought that the report was contaminated because of the leaks, and I am not sure of its worth now. If I may say so, the whole process has been most frustrating. As one of my colleagues said, it has been 15 months or whatever in the process, and, at each juncture or phase right through, it seems to me that there still is no power to address any of the wrongdoing. I am here because I was asked to come, Chair, and give my view. I have given it honestly, and I have not deceived anyone, but I really think that I do not know where the outcome of the report to this inquiry will go or what action will be taken around it. So far, I am disillusioned with the whole process.

The Chairperson (Mr Maskey): I have one final member to speak. To confirm, no member wishes to speak after Dolores. Obviously, you have been here for quite a while, and, as I said earlier, I thank you for that.

For the record, this Committee has spent a lot of time and interviewed a lot of people. Ms Palmer, you are the latest one, and John McPeake is sitting there, ready for the next session. This Committee does not have any power to sanction anybody. There are other mechanisms for doing that. This Committee has committed itself to being very robust about how it carries out its investigation, and, from day one, it has committed itself to following the evidence wherever the evidence takes us and however that manifests itself. I think that you can be assured that the Committee will be very firm in its ultimate conclusions, whatever they may be, and that we will stand over any report that we have made so far and challenge anybody to challenge that. It will be open to anybody to professionally challenge that if they so wish, and that is fine. I think that the record will show that, for the most part, the Committee has conducted itself very professionally.

Mr Campbell: Chairman, you said that the Committee would go where the evidence led it. You said that previously.

The Chairperson (Mr Maskey): Yes, I have repeated that, and I have said that regularly.

Mr Campbell: Yes. Just now, you said that the Committee was of that mind. All of the Committee is not of that mind.

The Chairperson (Mr Maskey): Fair enough, that is OK. The Committee, as in the decision-making process, has determined that. A minority of members have disagreed with that or resiled from that position. They are quite entitled to that.

Mr Campbell: That is more accurate, yes.

The Chairperson (Mr Maskey): I remind you that the Committee as a corporate body has taken decisions thus far and will continue to do so and will resolutely stand over them. We will do so on that basis with every person who is invited here or, indeed, who is, perhaps, compelled to be here, if that is required. The Committee has the power to compel, and we have exercised the power to compel documents to be made available in the past. One of the reasons why there has been delay and why I probed you earlier, Ms Palmer, on one of the questions is, as we have stated quite clearly, resolutely and publicly, that there has been a considerable delay from time to time in getting documentation, particularly from the Department. We had to bring the permanent secretary to this inquiry to challenge him on why that continually happened. We have basically characterised that as tantamount to obstruction, and I repeat that here this morning. When officers or officials come here to give evidence and do not provide information, I consider that also to be a serious offence, and we will take that up with the individuals concerned. All that I can do is try to assure you and anybody else who gives evidence that we will follow the evidence and that we will do that on a professional basis and stand and be scrutinised at the back end of that.

I hope that that gives you some reassurance that, despite the fact that there have been, in my view, virtual obstructions put in front of the Committee by way of not giving us information that was readily available at officials' disposal, that we have continued to pursue this in a dogged way and will continue to do so. The intention is that we will, hopefully, wind the inquiry up before Christmas. That is still my belief and intention as far as I Chair this Committee.

Mr Wilson: Chairman, since your remark is on record, can I also get my remark on record? This Committee consistently ignores the evidence and has ignored the evidence and has even refused to put some evidence that was given to it freely by people who came along here into its reports. Since you are putting your view in the public record, I want my view put in the public record.

The minority report that we had to do for the first part of the inquiry had to list all the evidence that this Committee ignored or chose not to count as important, including the fact that this whole issue or the first part of the issue led to a saving of £15 million, which the Committee seems to have dismissed.

The Chairperson (Mr Maskey): OK. Everybody will have plenty of time to put their views in public record. These are the last questions on this session.

Mrs D Kelly: Chair, I intend to be brief, because it has been a very long session.

Jenny, you said that you felt vulnerable with the BBC in your home but that you would not describe yourself as a vulnerable person. Would you describe yourself in that way?

Ms Palmer: No. In recognising my strengths, I think that I am a stronger person as a consequence of the past seven years and ultimately the past three years in conducting myself in public life and standing up for what was right. Yes, I get a bit tearful because I have been hurt, but that does not mean to say that I am not a strong person.

Mrs D Kelly: There are few who could quibble with that, Jenny.

As for the allegations that have been repeated today about sectarianism being a motivation, would I be right in saying that the issue of sectarianism only arose when the Red Sky contract came into question?

Ms Palmer: Yes.

Mrs D Kelly: The other point that I wanted to ascertain was about the former Social Development Minister, Nelson McCausland. Has he, at any time during the event or subsequently, communicated or corresponded with you in any way?

Ms Palmer: No.

Mrs D Kelly: Just to clarify, you said that one of the reasons why you could not go to some of your senior party members was because they were main players in Belfast around the Red Sky issue. Is it your belief that that is because they were making public comment about the TUPE and the jobs only, or do you think that they have any other connections with Red Sky?

Ms Palmer: No, I was not aware of any of the connections. I was not even aware that Red Sky was a Protestant firm. It was only through the media and the allegation at one of the meetings with the Housing Executive officials that it was relayed to the audit and the board that it seemed as if it might have been a sectarian decision. Up until that point, I did not know who Red Sky was.

Mrs D Kelly: Chair, I will just finish by thanking Jenny for her evidence and saying that, certainly from my party's perspective and, I am sure, that of many of the other parties represented here, I would be proud to have a person of Jenny's integrity as a member of the party and as a public representative. Thank you.

The Chairperson (Mr Maskey): This is not a rebuke of any nature, and I know that we all tend to use language loosely, but I do not want it to be said or accepted that Red Sky is a Protestant firm. It is a firm and obviously there is a composition of workforce, but that is like saying that somebody else has a Catholic firm or a Hindu firm or whatever else. I am not rebuking you, but just for the record, we here, myself certainly, would not look at any company by definition of its workforce.

Ms Palmer: Nor did the Housing Executive.

The Chairperson (Mr Maskey): I think that you have made that very clear.

OK. Is there anything else that you want to say at this moment in time? You do not have to, I am just saying that, at the end of all these sessions, we offer people who have given evidence the chance to add anything else that they would like to say or clear up. This is an ongoing inquiry, as you understand, and we, as a Committee, may want to clarify some evidence further with you.

Ms Palmer: I am happy to do so, Chair, at any time.

The Chairperson (Mr Maskey): That invitation remains open to you for the remainder of this inquiry. You do not have to answer anything today, but feel free to come back if you wish to do that. On that basis, is there anything that you want to add this morning?

Ms Palmer: I am conscious of the fact that Mr Brimstone will give evidence next week. Through Kevin Pelan's office, I was sent written submissions of all the contributors to the inquiry. So far, there are two that I have not been able to peruse for accuracy. I am assured that I will have input into that at some point if there is something that I disagree with in the next session.

The Chairperson (Mr Maskey): You will have that opportunity —

Mr Allister: Do we have Mr Brimstone's?

The Chairperson (Mr Maskey): No. It is not available to us yet, either. We do not have it yet, but you certainly will, because this is a public inquiry. You will have every opportunity.

Ms Palmer: Thank you.

The Chairperson (Mr Maskey): Thank you very much. I know that it has been a difficult morning.

Members, John McPeake is very patiently waiting, but we have been in session since 10.00 am. We need to take a short break of 10 minutes or so.