

FROM THE DEPUTY SECRETARY
Heather Cousins



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Dr Kevin Pelan
Northern Ireland Assembly
Clerk Committee for Social Development
Room 284 Parliament Buildings
BELFAST
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Your Ref: CSD/022/2013/3/CMC

21 July 2014

Dear Kevin

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.

Your letter of 9 July 2014 refers. Please find attached as requested briefing on my knowledge of the events and decisions details in your letter.

Yours sincerely

A handwritten signature in black ink that reads "Heather Cousins". The signature is written in a cursive, slightly slanted style.

HEATHER COUSINS

I have been asked to provide a briefing on my knowledge of the following key events and decisions. However, these events occurred more than three years ago.

They also related specifically to housing matters and my responsibilities in the Department at that time were much more than housing and also included Welfare Reform and turning around the performance of the Child Maintenance Service.

1. NIHE Board's decision of 13 April 2011 to terminate the response maintenance contracts held by Red Sky

I was aware of the decision by the Housing Executive to terminate the Red Sky contracts and that the Chairman advised the Permanent Secretary of this on 13 April 2011. This was also widely covered in the Press at that time.

2. Letter dated 17 May 2011 from Robin Newton MLA to the Minister requesting a meeting with Red Sky representatives and Sammy Douglas MLA and the subsequent response dated 31 May 2011.

I was copied into the briefing forwarded to the Minister on 27 May 2011 recommending that the Minister declined this invitation as this was an ongoing contractual matter between the Housing Executive and Red Sky. I was copied into the Minister's response on 31 May 2011 which updated Councillor Newton MLA on the position and advised that if still felt a meeting would be beneficial, he should contact the Minister's diary secretary.

3. Meeting of 2 June 2011 with the Minister's Special Adviser regarding the termination of the Red Sky contract.

I was copied into a briefing paper dated 2 June 2011 to the Special Adviser which advised that Stewart Cuddy, Acting Chief Executive, would be happy to meet the Special Adviser that day to discuss. I did not attend any meeting to discuss this and I am not aware that there was a meeting.

- 4. Meeting of 27 June 2011 at Parliament Buildings between representatives of Red Sky and members of the DUP including the First Minister Peter Robinson, Robin Newton MLA and Sammy Douglas MLA.**

I was copied into the briefing forwarded to the Private Office for this meeting but I did not attend this meeting.

- 5. Meeting of 30 June 2011 with the Chairman and Chief Executive of the Housing Executive and senior DSD officials to discuss the termination of the Red Sky Contract.**

I attended this meeting on 30 June and the (draft) minute of the meeting records the discussion at that time.

- 6. Submission of 1 July 2011 from Will Haire to the Minister advising the Minister not to issue a direction to the Housing Executive in respect of the termination of the Red Sky contract.**

I was copied into the submission on 1 July from Will Haire to Minister in which he set out the considerations in respect of the issue of a direction and recommended to the Minister that he did not believe that the reasons and supporting evidence was sufficiently rigorous to justify the issue of a direction under Article 10.

- 7. Meeting of 1 July 2011 with senior DSD officials to discuss the letter to the NIHE advising of the forensic investigation into the adjacent contractors and the extension to the Red Sky contract**

I forwarded a submission to Minister on 1 July with a draft letter to the Chairman advising of the Minister's decision to carry out a forensic investigation of a sample of NIHE contractors including the contractors who would be reassigned the Red Sky contracts and asking the Housing Executive Board to consider extending the termination date of the Red Sky contracts. I was also copied into the submission from Will Haire to Minister dated 1 July 2011 in relation to the

issue of a direction the Housing Executive. I do not recall the detail of discussions at a meeting held that day.

- 8. Letters of 1 July 2011 to the Chairman of the NIHE requesting the extension of the Red Sky contract. In particular clarity is welcomed on the Minister's decision to amend the official's initial draft of the letter to extend the termination date from a period of 8 weeks to 6 months.**

I forwarded my advice to Minister with a draft letter to consider and it was the Minister's decision to amend this.

- 9. Email of 5 July 2011 from Michael Sands to the Chairman of the NIHE regarding the Special Adviser's request to amend the period of extension of the Red Sky contract from six months to four months**

I was not copied into this email and was not involved in subsequent discussions as I was on Annual Leave until 7 July.

- 10. NIHE Board meeting of 5 July 2011 regarding the Minister's request for an extension to the Red Sky contract**

I am aware that a Board meeting was held on 5 July 2011. I did not attend this meeting as I was Annual Leave. I am also aware that the Chairman wrote to the Minister on 5 July 2011 following the Board meeting.

- 11. Submission to the Minister dated 6 July 2011 regarding NIHE's decision not to extend the Red Sky contract pending an open procurement competition and the possible discussion of this at the Executive Committee on 7 July 2011**

I was copied into the submission from the Permanent Secretary to the Minister dated 6 July 2011 setting the position at that time and advice on the way forward.

- 12. Letter of 7 July 2011 to the Chairman of the NIHE confirming that the NIHE should proceed with the termination of the Red Sky contract on 14 July and reassign the work to adjacent contractors**

Following the Board meeting on 5 July and the Chairman's letter dated 5 July to the Minister I forwarded to the Minister a suggested draft reply which the Minister issued to the Chairman on 7 July 2011.

- 13. Submission dated 18 July 2011 regarding letter of response from the Permanent Secretary to a letter from the Chairman of the Housing Executive dated 1 July 2011 regarding the termination of the Red Sky contract.**

I was copied into the submission to Permanent Secretary with a suggested draft reply to the letter to him from the Chairman dated 1 July 2011. The Permanent Secretary's reply to the Chairman issued on 31 August 2011.