



Northern Ireland
Assembly

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:
Department for Social Development

18 September 2014

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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 Trevor Clarke
Mr Michael Copeland
Mr Stewart Dickson
Mrs Dolores Kelly
Mr Fra McCann

Witnesses:

Ms Heather Cousins	Department for Employment and Learning
Mr Will Haire	Department for Social Development
Mr Michael Sands	Department for Social Development
Mr Jim Wilkinson	Department for Social Development

The Chairperson: I formally welcome everybody to this session on phase 3 of the inquiry. We have a number of witnesses to call this afternoon: Will Haire, Heather Cousins, Jim Wilkinson and Michael Sands. You have been made aware of what we are specifically dealing with today. I appreciate that these are wide-ranging and sometimes complex matters, but we are addressing specific terms of reference. You have been advised of them have been asked to deal with specific elements of the concerns that the Committee raised during the inquiry.

Will, I understand that you are going to make some opening remarks.

Mr Will Haire (Department for Social Development): Yes.

The Chairperson: Members, you will find a list of items in your electronic Committee pack for your attention. I remind members to be mindful of the protocols around the use of electronic devices.

Without any further ado, Will, if you are happy, you can make your opening statement, as can Heather, Jim and Michael.

Mr Haire: I would like to make some opening remarks on phase 3 of your inquiry which will hopefully assist you in setting the scene for some of the key events in this particular phase. Although the terms of reference for this phase obviously relate to the decision-making process relating to the award, modification and cancellation of NIHE maintenance contracts, the key events and decisions that you have focused on in your questions and written requests are mainly events and decisions relating to the termination of the Red Sky contracts in July 2011. The memorandum we gave you sets out the full background to the whole maintenance issue as well, and the details in that. I hope that it is useful to the Committee in what is a complex phase. I will give a quick reference of some of the key events, but I am not going to be comprehensive.

On 13 April that year, the Housing Executive board considered a proposal to terminate the response maintenance contracts held by the Red Sky Group Ltd. The board papers sought the board's agreement — on the basis that the Housing Executive considered that it had lost all trust and confidence in the Red Sky Group — to issue a three-month termination notice in respect of all the response maintenance contracts held by it. That was approved by the board, and a three-month termination notice became effective from 14 April that year. It was, obviously, widely reported at that time.

On taking up post in May 2011, Minister McCausland expressed his concerns about the issues relating to the Housing Executive's management of contracts on foot of a briefing that officials gave in relation to the review of governance in the Housing Executive in 2010 and on the issues leading to the termination of the Red Sky contracts. In particular, he was concerned that contract management failings might exist across contracts and not just in one particular contract, namely that of Red Sky.

On 17 May, Robin Newton MLA wrote to the Minister requesting an urgent meeting, along with Sammy Douglas MLA and representatives of Red Sky, to make the Minister aware of their concerns regarding the termination of the Housing Executive's contracts and the implications for the company and its employees.

On 27 May, departmental officials advised Minister McCausland that he should decline the invitation, as it was an ongoing contractual matter between the Housing Executive and Red Sky. However, the Minister decided not to decline the meeting, and it was held on 27 June 2011.

Subsequent to that, the Minister had a number of meetings on 28 June with officials, the chairman and the acting chief executive of the Housing Executive to discuss concerns about contract management and the termination of the Red Sky contract.

From a departmental official point of view, there were four key issues to be addressed at the time: first, ensuring the provision of appropriate response maintenance services to tenants — to make sure that that service was there; secondly, that the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) arrangements in relation to the employees of Red Sky were progressing — clearly, they are essential in employment terms; thirdly, addressing the Minister's concerns that the issues that led to the termination of Red Sky contracts could be present in other contracts that might not have been the subject of any full investigation; and, finally, that the issues relating to the termination of the contracts with Red Sky by the Housing Executive were contractual matters between the Housing Executive and the administrators.

As you will see from the written documentations that we have given you — I am afraid that we have been able to provide you with vast tomes of those — we have been consistent and clear on the advice in relation to these matters. Of equal importance to us was that the new contracts, which addressed concerns about the overall response of maintenance contracts, should be in place as soon as possible. That is a rather key issue behind all this and some of the dating of the issue, because we were trying to get new contracts in place that would be much more robust in response maintenance and would address the needs of tenants and customers. Those are the themes that will come out again and again in our briefing.

At a meeting on 30 June 2011 with the chairman and the acting chief executive of the Housing Executive, the Minister advised that he wanted to ensure that he had public and personal confidence with the Housing Executive contracts. He also advised that he had received information from the Housing Executive indicating that there were some emerging issues with another company. He therefore had asked his Department — those of us here — for a forensic examination to take place on the management of contracts and that, in his view, it was inappropriate to issue or assign contracts until that examination was complete. At that time, it was thought that the examination could take place in around eight weeks.

The Minister asked the Housing Executive to take this proposal to the board and recommend it, provided that the administrator could guarantee to conduct the work. The Housing Executive representatives — the chairman and acting chief executive — expressed concerns about this and I, having arrived late to the meeting, advised that officials would need to work through the issues highlighted and report back to the Minister. I also noted that both the officials in the Department and Northern Ireland Housing Executive would face challenges, but would need to look at the Minister's request in taking forward the investigation and would also need to look at all the implications.

You will also be aware from the documents released by the Department to the Committee that, on 1 July 2011, I wrote to the Minister on the issue of a direction under article 10(1) of the Housing (Northern Ireland) Order 2003 and gave him advice on that issue in the situation that the Housing Executive did not fulfil his request.

Minister McCausland had indicated that his reason for seeking an extension to the termination of the Red Sky contracts and a proposal to assign these to neighbouring contracts was to allow our officials to carry out a forensic investigation of a sample of contractors, including those who would be taking forward the Red Sky contracts, in order to give an assurance that the problems identified with Red Sky were not endemic across the Northern Ireland Housing Executive contractors. However, in that advice, I set out a number of factors to be taken into account in relation to the issue of a direction. I recommended that a direction should not be issued to the Housing Executive in relation to this matter as I did not believe that the reasons and any supporting evidence were significantly rigorous to justify the issue of a direction. Indeed, I indicated, should the Minister believe a direction was required, that I, as accounting officer, would need a ministerial direction to direct me.

In the event, as the Committee will be aware, the Minister did not issue a direction. On 1 July 2011, he wrote formally to the Housing Executive chairman in relation to his requests. He confirmed that he had asked officials to carry out a forensic investigation and formally asked the chairman to put it to the Housing Executive board that the termination date of the Red Sky contracts should be extended from 14 July 2011, subject to the administrator stating that he could continue to allow an open procurement competition for the Red Sky contracts to be undertaken with immediate effect.

The extension to the contract with the administrator would be for a period of six months or until new contract procedures could be put in place. I will point out that there was a question of trying to renew the whole set of contracts. This procurement exercise would have meant that Red Sky contracts would be subject to open procurement rather than reassignment, but it was subject to the administrator confirming that he could continue to service the contracts until that time: nobody else could do that.

I also arranged to meet the Housing Executive chairman on Monday 4 July to discuss the Minister's letter of 1 July and to ensure that the nature of the Minister's request in his letter was fully understood both by the Housing Executive and the Department. The Committee will be clear from the evidence it has received, as well as from members' own knowledge of events, that this was a really complex issue that attracted a high level of media attention and significant debate at that time. It had also been subject to a lot of discussion between Housing Executive officials and Departments. It was therefore really important to me that the chair of the Housing Executive was clear about exactly what was being asked. It was not a direction that he had been given; it was a request to look at this issue and put it to the board, and it emphasised the point about the role of the administrator.

You will be aware that the Housing Executive board met on 5 July to discuss the situation and the Minister's letter to the chairman on 1 July. Following that, the chairman wrote to the Minister that day and advised that the board had asked him to express its deep concern at the stance that had been taken in relation to the termination of the Red Sky contracts. The chairman stated that the contracts had been terminated through thorough and extensive forensic investigations. The board formed the view that the trust and confidence necessary for satisfactory operation of the contracts had been profoundly undermined and that Red Sky had been advised of that on 13 April 2011. The board, on that morning of 5 July, reconfirmed that view in respect of Red Sky in administration.

The chairman's letter went on to advise that the board had resolved that, if a direction was issued, it would immediately challenge the legality of such a direction in the High Court. It had instructed legal representatives to take the necessary preparatory action and had put the High Court on notice that it may be necessary to convene an urgent judicial review hearing at short notice.

You will note that the Minister's letter to the chairman of 1 July did not refer to the issue of a direction. Also, the chairman's reply of 5 July did not, in fact, answer the Minister's specific request about the

ability of the administrator to service the contracts while an open procurement exercise was undertaken. Further clarity on that aspect was received by email from the Housing Executive's head of procurement on 6 July 2011 — the next day. Having got that, I briefed the Minister on the board's response to his request and on the information provided. I recommended that the Minister should advise the Housing Executive to move forward with its proposal to reassign contracts to adjacent contractors to ensure the continued provision of services to tenants. I also recommended that the Minister should seek assurances from the chairman that the neighbouring contractors had the appropriate TUPE arrangements in place for the affected Red Sky employees and that the Housing Executive would put in place robust and appropriate contract monitoring arrangements. The Minister wrote to the chairman on 7 July on that basis and confirmed that the Housing Executive should proceed with the termination of the Red Sky contracts from 14 July and move forward with a proposal to reassign contracts to adjacent contractors to ensure the continued provision of services to tenants.

Chairman, you will remember that the Minister met you on 6 July to brief you on those issues. So, the termination took place on 14 July.

As I said, I hope that this has given you a quick overview of the key issues around that time. It is all set out in more detail in the memorandum. We are happy to take questions.

The Chairperson: Thanks for that. Before I bring in other members, I want to make a couple of points. First, that table is very noisy.

Mr F McCann: I do not have my arms on it. It is Mickey.

Mr Brady: And Stewart.

Mr Dickson: It is a different table.

The Chairperson: OK. People should be conscious of that. It is affecting the microphones and other people's ability to hear what is going on.

To remind ourselves, we are dealing with phase 3 of the inquiry. We have a particular term of reference. We are not reinvestigating contracts or any of that business. That is not part of our remit, whatsoever. We will take what was there, and what has happened with contracts being terminated, reissued or whatever else, as matters of fact. As I said, we are investigating whether there were any political or inappropriate dealings with regard to the matter. We do not need to rehearse that, but we should remind ourselves of the kind of parameters within which we are dealing with this.

Will, in the memorandum you presented to us, you referred to a meeting with a number of MLAs who requested to meet the Minister. Officials clearly advised the Minister to decline that meeting, but, in paragraph 13, you advise that the special adviser amended the draft response, which, in effect, advised that the meeting would go ahead. Do you feel, as accounting officer and permanent secretary, that the advice should have been adhered to? You obviously set out all the legal and procedural implications for doing otherwise, given that the contract in question was subject to legal and contractual issues between the Housing Executive and the contractor. What I am basically putting to you — and it is clearly pertinent to this phase of the inquiry — is that you and other officials gave clear advice to the Minister to decline the meeting but that that advice was not adhered to and that, in fact and according to your memorandum, the special adviser redrafted the response and said to the MLAs in question that if they felt that a meeting would still be beneficial that they should make contact and so on. On the basis of what is in front of us, I suggest that that is a stark contradiction to the advice given. That is the kind of thing that we have to look into.

Mr Haire: I may ask Jim to come in, as he was involved. The point is that one puts advice to Ministers but it is the job of Ministers to decide. They have the right to decide. Throughout my career as a civil servant, I have given advice to Ministers. They have sometimes taken it, but they have sometimes taken a different view. The key issue for me is to give the best professional advice and set out the issues. For example, we presented legal advice, and very clear advice was given in the briefing when the meeting was set up, which defined the limits of what the Minister could do in that area. The key point was that contractual issues are the responsibility of the Housing Executive, and the Minister has roles in relation to the Housing Executive, but not in relation to the contracts in that formal process. It is fairly normal. Ministers must always make their decisions.

There was an issue. You will see that in some of the documentation, and somebody rightly raised the issue about changing or not changing the advice. We always say that special advisers have a total right and duty to give their views to Ministers. That is part of their job. However, the Minister must always decide, and we always make sure that it is the Minister who makes the decision.

The Chairperson: I appreciate that. Obviously, you cannot speak for somebody else, and they will presumably have to answer for themselves at some point. The point I am making is, against very specific advice from you and other senior officials, and the knowledge that the Housing Executive was about to go to court on the issue, and had already alerted judges and all the rest, that not just the Minister but his special adviser came back — you have told the Committee that in your evidence and in your memorandum. Did you not feel that you needed to go back to him and say, "Excuse me, let me remind you of the advice that I gave to the Minister."? It is very difficult for us to understand how a person in your position, with your status and statutory role could be overruled, effectively, by a SpAd.

Mr Haire: There are certain roles that I, as accounting officer, fulfil — I am responsible to you and the Assembly for money. In my role as principal adviser to the Minister, I have a role to make sure that that advice is given, but it is the right and duty of the Minister to make the decision. That is how it is set out.

You spoke about a legal challenge at the time. There was not. The legal challenge we discussed was later, obviously when the Housing Executive board felt it should pursue that. There was no question of legal challenge when the request for the meeting was received. We are very clear that, legally, a Minister has an absolute right to attend such meetings. They just need very clear advice about what they can say and what their role is. You have seen that, and the briefing that was given to them. You have seen the line that they should take, which set out very clearly what the Minister could say. My understanding is that the Minister made those points and that you, Jim, remade those points at the meeting.

Mr Jim Wilkinson (Department for Social Development): Just for clarification, the briefing from officials in relation to the request for a meeting was clear, and the Committee has seen the advice that was given. The Minister had that briefing, and he had the special adviser's comments.

The Chairperson: For the record, will you state what that advice was, Jim? We have it, but the record does not show that.

Mr Wilkinson: The advice from officials in relation to the request for a meeting was to decline it as this was a contractual matter between the Housing Executive and the contractor and might be subject to ongoing legal proceedings. That advice was with the Minister. The special adviser added his advice, the Minister considered both and, as you said, the letter was issued offering the meeting if it was felt to be appropriate.

As Will has described, the role of officials is to provide advice. Ministers take decisions, and the role of officials is to support Ministers in those decisions. That culminated in the second briefing, which was clear advice to the Minister about how the meeting should proceed. That is the sort of process that happens. That is quite common.

Mr Brady: Thanks very much for the presentation. On the Red Sky contract and the notification by the chair of the Housing Executive that it was to be terminated, did the Department take any steps to satisfy itself that this was the correct course of action? Obviously, you got notification of that. Did you, as permanent secretary of the Department, or your officials take any cognisance of the fact that there may be something to investigate from your point of view rather than just accept what the Housing Executive was saying?

Mr Haire: It is the job of the Housing Executive to run those contracts and make sure that everything is done following due process. I knew that there had been some debate and concerns in the Housing Executive about Red Sky and how to handle the contracts. I remember that the chairman rang me just beforehand, and I asked whether he had got legal advice and was absolutely clear on that point. He confirmed to me that he had, and I thanked him for notifying me. It is not the role of the Department to investigate every decision or to micromanage the board. It is the responsibility of the board to handle its contracts.

Mr Brady: Was there no discussion with the Housing Executive as to its reasons for wanting to terminate the contract?

Mr Haire: As I said, we did not go into detail on the issue. I knew that the Housing Executive had been considering the issue. It made very clear in that part of the contract its confidence in the contractor. The evidence on which it felt it had the right to terminate the contract had been put to the board, and the board agreed it. It was not the role of the Department to investigate that.

Mr Brady: On 28 April 2011, there was a meeting between senior Housing Executive officials, including the chair and the chief executive, and members of the DUP. Was DSD management briefed on that?

Mr Haire: No.

Mr Brady: Were you briefed either in advance of the meeting or after it?

Mr Haire: No. After the meeting, we would have heard about it, but we certainly were not briefed before it. That was dealt with by the chair.

Mr Brady: Would you normally expect to get a briefing on a meeting of that magnitude?

The Chairperson: Sorry, but was it not the case that you, Jim, were at that meeting?

Mr Wilkinson: No.

Mr Haire: That was a different meeting.

Mr Wilkinson: You are talking about the meeting on 28 April, held in the Housing Executive. The Department did not receive a briefing in advance. After the meeting, I was advised that a meeting had taken place. That was done some time thereafter, at the next performance meeting.

Mr Brady: Following a meeting like that, or prior to a meeting like that, would it not be normal to get a briefing?

Mr Haire: The Housing Executive is a major organisation and meets many MLAs on many issues. Obviously, this was a significant issue, and it felt that it was an important meeting, because the issue of Red Sky had come into the political sphere. It would have reported on the meeting in that context, but there is no rule to say that the Housing Executive has to report on every meeting. Certainly, that would be strange —

Mr Brady: The point is that it was a particular meeting about a particular issue.

Mr Haire: As I said, I think that we did get some feedback that such a meeting had taken place, but after the event and not before it.

Mr Wilkinson: Not before it, and we got no copies of the minutes.

Mr Brady: Are you at liberty to disclose the nature of the feedback that you got?

Mr Wilkinson: As I recall, there was a performance review meeting at which we were told that a meeting had taken place on what was an important issue. It was nothing more significant than that.

Mr Allister: There was a meeting on 27 June between the DUP, the Minister and representatives of Red Sky, if that is who they were representing. You, the officials, gave clear advice against the holding of that meeting because you took the view that the matters to be discussed were contractual issues for the Housing Executive. It was also a meeting involving representatives of a company, if they were representing that company, that was in administration. Had you any concerns about that dimension?

Mr Haire: Jim, I do not —

Mr Wilkinson: The issue is that, having provided advice on the meeting, once the meeting was taking place, our role was to provide the most appropriate advice and recommendations for the Minister. We sought legal advice on that. So, we were content with the briefing that we provided for the Minister in advance of the meeting, both about whom he was meeting and, more importantly, the role of the Department and the role of the Minister, which was fairly clear. We were content that the briefing for the meeting made quite clear the position on any matters that might fall into the contractual area.

Mr Allister: In what capacity were the two gentlemen, Mr Rooney and Mr Cooke, attending the meeting?

Mr Wilkinson: My understanding of their capacity was from the original invitation letter, which referred to representatives from Red Sky and MLAs.

Mr Allister: Red Sky was then Red Sky in administration.

Mr Wilkinson: Yes. The company was in administration.

Mr Allister: But there were no representatives from the administrator.

Mr Wilkinson: No. Nor from the Housing Executive.

Mr Allister: That is the second point. Was it not a little odd that, at a meeting held to discuss the termination of a contract by the Housing Executive with Red Sky, Red Sky is there, although in administration, but the Housing Executive is not? Had you any reservations about that?

Mr Wilkinson: I think that the important element through the briefing was that we were quite clear that the matters relating to the termination of the contract and any contractual matters were between the Housing Executive and the administrator. First, the briefing request and the update were passed on to the Housing Executive. So, we were quite clear who was meeting, and the Housing Executive was asked to provide input to the meeting. If the Department's advice is that any contractual matters have to be discussed, not having the parties who were discussing the contractual matters meant that they could not be discussed at that meeting.

Mr Allister: Was the discussion at that meeting about the formation of a new company?

Mr Wilkinson: I need to refer to the minutes, but I think that the minutes cover a wide variety of issues.

Mr Allister: Who was going to form that new company?

Mr Wilkinson: My understanding, again if I can refer to the minutes, is that a number of the —

Mr Allister: I do not know whether your pages are numbered the same as mine.

Mr Wilkinson: I do not think that they are.

Mr Allister: It is on page 495, if that is any help.

The Chairperson: I refer members to pages 495 and 496 of the electronic pack.

Mr Allister: The minutes state:

"Peter Cooke gave the Minister a brief history to the company and advised on how they were trying to establish a new company to acquire the entire Red Sky business including Bel Air from the Administrator."

What did you understand from that meeting of what was being said and of what they would have liked to do with that new company?

Mr Wilkinson: My understanding is, in as much as the minutes record, that those individuals were aspiring to set up a new company and to acquire the Red Sky business.

Mr Allister: And take over the Red Sky contracts with the Housing Executive.

Mr Wilkinson: To acquire the Red Sky business —

Mr Allister: Which, at that point, included the contracts.

Mr Wilkinson: It may or may not have included them. The contracts were to terminate on 14 July.

Mr Allister: Yes. If they did not terminate, which, of course, was the further thrust of what the Minister was advocating hereafter, they would be there to be acquired.

Mr Wilkinson: The acquirement of the contracts would be a matter for the Housing Executive and its procurement arm.

Mr Allister: But Red Sky's representatives were making it clear that they wanted to form a new company to supersede Red Sky and take over the various Red Sky contracts.

Mr Wilkinson: Yes.

Mr Allister: Did they put a name to that company?

Mr Wilkinson: No.

Mr Allister: Do you recall the name Totalis?

Mr Wilkinson: No.

Mr Allister: You never heard that.

Mr Wilkinson: No.

Mr Allister: Right.

The Chairperson: Are you moving on to a further question, Jim?

Mr Allister: Yes. So, at the meeting, there was a discussion of that nature. Did the Minister express any view about that?

Mr Wilkinson: As I said, we were quite clear in the briefing to the Minister for the meeting that any matters relating to contracts and the awarding of contracts would be a matter for the administrator and the Housing Executive. At the meeting, it was very much the Minister listening to reps.

Mr Allister: Did the Minister follow the advice that he was given in the briefing?

Mr Wilkinson: As you will see from the third paragraph of the minutes of the meeting, the Minister made it clear:

"these matters were currently with the Administrator".

Mr Allister: The Minister had been advised:

"Issues regarding the termination of the contract ... are contractual matters between the two parties concerned. An Administrator has been appointed to oversee the affairs of the company and their activities and role is governed by the laws of insolvency. These matters are subject to ongoing legal processes in which the Department has no role."

That was the advice to the Minister.

Mr Wilkinson: Yes.

Mr Allister: The minute records that, at that meeting, the Minister suggested that he wanted the administrator in place until the end of August. Was that compatible with the advice? Was he following the advice that he had been given?

Mr Wilkinson: The key thing is that the Minister expressed his view at that time.

Mr Allister: Was that compatible with the line that he had been advised to take?

Mr Wilkinson: Yes, I am quite content. I followed up why that was the Minister's view and what he would like to achieve. We were quite clear that the decision-making would be entirely a matter between the Housing Executive and the administrator.

Mr Allister: Yes, but, in making that proposition, how far was he crossing a line, if at all, in trying to shape and rewrite what the executive had already decided on a contractual matter?

Mr Wilkinson: Again, as I indicated, the meeting involved listening to issues and hearing about the intentions of a company. I am quite content, and it was quite clear at the end of the meeting that, irrespective of those discussions, decision-making was entirely a matter for the Housing Executive.

Mr Allister: Yes, I understand that, but, Mr Wilkinson, the advice given to the Minister was "Yes, you are having this meeting, but here are guidelines, and the guidelines are that we do not interfere in the contractual arrangements of or the termination of contracts by the Housing Executive". The Minister went along to that meeting and seemed to make a proposition that would involve such interference; namely, that the contracts would not expire on 14 July but would continue thereafter.

Mr Wilkinson: The Minister made his position clear, and I think that it was one of the consistent points that Will referred to. The Minister addressed the fact that he had concerns that existing contracts should be subject to the same level of scrutiny. At the meeting, he referred to his view that that would allow some activity until the end of August. Again, our position has been quite clear. The Minister has a responsibility for and an interest in issues that are brought to his attention, but the method of handling them is through the Housing Executive.

Mr Allister: In fact, what he did next was write a letter asking for a six-month extension — not even until the end of August, but for six months. He wrote that unknown to the Department, is that what we are to understand?

Mr Wilkinson: No.

Mr Allister: Will you clarify that?

Mr Haire: There were a number of meetings and discussions with the Minister, and we obtained advice. I think that the Minister was particularly concerned at that time. His concern was whether he could be sure that the same practices in Red Sky would not be found in the work of the contractors to whom the work was being assigned. His argument was to get the new contracts in place and then let an open competition take place. My understanding is that Red Sky in administration would not have been able to compete in that area. It would not have had the track record. There would be new contracts so that the Minister could be sure that the tenants were getting a service from contractors who were all effective and good at using the new contracts. The six months came from that issue, is that right?

Mr Wilkinson: The context would have been that, following the meeting, the Minister followed through on his concerns that the issues relevant in Red Sky might be prevalent elsewhere. There was a series of meetings on how that might be addressed. The Minister indicated his idea that it might be addressed by a forensic investigation and by extending the contracts to allow new recruitment to take place.

Mr Allister: The purpose of making that suggestion is revealed, is it not, in the minutes of 27 June:

"The Minister advised that he has asked officials to instruct the NIHE to rigorously review all existing contracts to same level of scrutiny. He also advised that he would like to have the administrator in place until end of August to allow all issues relating to the handover of contracts to be considered, during this time the proposed new company might also be able to progress matters."

What did that mean?

Mr Wilkinson: That was the Minister's comment.

Mr Allister: I suggest to you that it is pretty clear what it means. It would give Red Sky time to reform itself.

Mr Wilkinson: That could be the case, but I think —

Mr Allister: If that is what it meant, was that not a Minister involving himself in promoting the commercial interests of a company?

Mr Wilkinson: I go back to the key point —

Mr Allister: Was it not?

Mr Wilkinson: The key point that was made at the meeting and in the briefing was that any decision relating to the award of contracts, the extension of contracts or the termination of contracts is a matter for the Housing Executive as the contracting authority and its contractors, or, in this case, the administrator. That point has been very clear in all our briefings.

Mr Allister: I am not faulting your briefing.

Mr Wilkinson: The decision-making point was always with the Housing Executive.

Mr Allister: I am not faulting your briefing whatsoever. I am asking you to apply the advice in the briefing to what actually happened at the meeting and answer the question of whether or not it would appear that the Minister went beyond that advice and, in fact, ended up setting a scene to assist the commercial interests of a company at that meeting.

Mr Wilkinson: I am content that the meeting began and ended with clarity as to with whom and where responsibility —

Mr Allister: Are you content that the minute that I read to you is an accurate record of what the Minister said?

Mr Wilkinson: The minute of the meeting is the best recollection that I have come across —

Mr Allister: So, you do not quibble with this whatsoever: the Minister said that this might also be able to give the proposed new company time to progress matters.

Mr Wilkinson: Absolutely. I could not recall every word of the discussion. I look at the minutes of the meeting, and there is nothing that I would dispute.

Mr Allister: I come now to the meeting of 30 June, which you were at, Mr Haire.

Mr Haire: Yes.

Mr Allister: The Minister said that it would be inappropriate to terminate the contract until the forensic examination had been completed. That is the point that he made to the Housing Executive. Did you give him that advice or did you concur with that advice?

Mr Haire: You will see from the minutes that I arrived after all that discussion. The answer is —

Mr Allister: OK. Does the Department concur with the advice that it would have been inappropriate to terminate the contract on the scheduled date of 14 July until the forensic examination had been completed? That was the Minister's contention. Was that on advice from your officials or was that him acting on his own?

Mr Haire: I think that you have a copy of the advice. It should be in your papers. I think that Heather gave the advice on 30 June, and that would be the advice —

Mr Allister: Well, it does not embrace, I suggest to you, the Minister suggesting that we could push back the termination by six weeks. That would be interfering in a contractual matter, would it not?

Mr Haire: All that I am saying is that all that I can give you is the record of —

Mr Allister: Let us not quibble over that. You advised him that he should not interfere in a contractual matter. However, the Minister contending with the Housing Executive that the termination should be pushed back six weeks is him interfering in a contractual matter. Is that not right?

Mr Haire: The argument would be that the Minister has advice to make sure that the quality of service is right for the tenant. Therefore, he has a right to put the question to the Housing Executive board to consider whether it could put the termination back there and still fulfil its contractual processes, and he does that on 1 July. It seems to me that he has a right to ask the board, but he does not have the right to direct it.

Mr Allister: You advised against the terms in which the letter of 1 July went out, did you not?

Mr Haire: No, no. In the letter of 1 July, we accepted that advice comes from the Department to say that you can go so far. You can ask, you can put it to the board, but you cannot —

Mr Allister: You very strongly advised him that he could not or should not issue an article 10 direction.

Mr Haire: Absolutely, but the letter is not an article 10 direction.

Mr Allister: No, but it was moving in that direction.

Mr Haire: As for putting that issue to the board, and, of course, the board does look at some of those issues, a key issue in this, which is key to the 1 July letter, is the fact that any idea of pushing it back only works out if Red Sky in administration can continue to hold the contract. If it cannot do that, if it cannot secure support, any question of it selling its business to anyone else brings it totally to the end. Declan Allen makes that absolutely clear, and we support that process.

Mr Allister: In your experience, have you ever encountered such an anticipated ministerial intervention in a contractual matter?

Mr Haire: Sorry. Have I had other Ministers ask questions about the executive's —

Mr Allister: No. Have you ever before encountered a situation in which a Minister wanted to make such an intervention in a contractual matter?

Mr Haire: It may be more to do with my experience when I say that it has never before happened in the process, but this is the first time that it has come up in my experience in DSD. That in itself may not be significant.

Mr Allister: So, in your experience, you had never before encountered such a proposed ministerial intervention.

Mr Haire: I had not come across something like that in my career previously. That is all that I can say.

The Chairperson: OK. You have answered that.

Mr Allister: Thank you. I will have a couple more questions later.

The Chairperson: That is not a problem. I want to bring in other members.

Sticking to this point, it is clear from the evidence that we have heard today, as well as from the written submissions, that advice was given to but not accepted by the Minister to decline the meeting. The meeting went ahead. It had already been brought to our attention that the administrators, for example, were not at that meeting. How appropriate did you feel it was for you to be at that meeting since you had advised against it and given very clear reasons why it should not go ahead, in that it was potentially interfering in contractual matters? The minute of the meeting shows, in my view, that it strayed very close to that, because it shows that the Minister advised certain things that were clearly at variance with your advice.

I want to ask you a specific question. Do you believe that the action as written and recorded in that minute is at variance with the advice that you gave, and, on that basis, do you feel that it was appropriate for senior members of the Department to be at that meeting?

Mr Haire: The minute records what the Minister said and thought at that meeting and the process, and the Minister can answer for that.

The Chairperson: Absolutely, yes.

Mr Haire: The key issue is that the meeting was not about contractual arrangements, in the sense that it was not one at which there was any negotiation about contracts by the Housing Executive, the contracting authority or the housing administrator. It was a representation about issues of concern about the handling of a termination of contract issue. You might argue that MLAs often bring up those issues of concern to Ministers. That was brought to the Minister's attention, and the Minister felt that it was his duty to listen to MLAs. There was no decision at the meeting. The Minister listened and heard a concern, but there was no action at that meeting, and the issue that you are exploring is what the Minister subsequently did. As for the actual meeting, that was the one. The Minister made his decision. I have been in situations in which I felt that contracts or things were being discussed. Sorry, I can imagine being in a situation in which I would say, "This is not appropriate. Please stop".

The Chairperson: Most people would presume that, if they are at a meeting with a Minister, and the Minister advises that something be done, a lot of weight would be put on what that Minister said, because you would like to think that a Minister has influence on issues. That is why people want to speak to Ministers, which is very often an entirely appropriate thing to do. People would probably like to meet Ministers more often to get their point of view across. I am not taking issue with that, but I am trying to establish how much variance there was from the advice given not to interfere in contractual matters and then someone telling people at a meeting, "I am advising that I want this course of action followed", or, in other words, the contract to continue. That suggests to me that, at the very least, you are leading somebody up the garden path.

Mr Haire: The key issue, as Jim referred to, is that, at the end of the meeting, the Minister makes it quite clear that it is an issue for the Housing Executive. He is absolutely clear about that process. So, he left everybody in that meeting absolutely clear that that is where the decision-making takes place.

The Chairperson: Jim, did you make it clear to people at the meeting?

Mr Wilkinson: Yes.

The Chairperson: The Minister had his say, and then you came in and said, "By the way, ignore that".

Mr Wilkinson: No. To put it in context, I am quite clear that the role of officials is to support Ministers and implement their decisions, and our role was to support the Minister at that meeting.

The Chairperson: How was it communicated at the start and the end of the meeting? The Minister made a comment. The Minister may well be right, but you are telling us that, notwithstanding what the Minister said, according to the record, the meeting was left in no doubt that the decision would be taken by the Housing Executive. How was that communicated? Did you, as a senior officer, say, "The Minister has just said that, but, by the way, here is the reality"? Is that what happened?

Mr Wilkinson: The minutes record it. A number of issues were discussed at the meeting, one of them being new information contrary to the briefing that we had from the Housing Executive regarding termination dates. The minutes conclude:

"Jim Wilkinson advised that further clarification needs to be sought from the Housing Executive and the Minister advised that this will be available tomorrow. He further indicated that the proper route for consideration of contractual matters is between the Housing Executive and the Administrator."

It is quite clear that the Minister was giving his view and opinion, but it is very clear that the route for pursuing that view was through the Housing Executive. The subsequent submissions and letters are about recognising the role of the Housing Executive in taking those decisions.

The Chairperson: Thank you, Jim, for that.

Mr Copeland: I am not a lawyer; I just want to get a bit of background to this. In awarding contracts that are subject to tender — the contracts that we are discussing were previously won by Red Sky and, presumably, would have gone to it again in the future — is past performance taken into account?

Mr Haire: Questions have been asked about that previously. You have experts before you in the next session. Declan Allen will be able to clear that up. It has been a contentious issue. At that time, I am not sure that it was possible, but now there is a process. In fact, a new EU directive will make it even more possible. It is quite a contentious and complex issue. You will see that there was correspondence, and I responded to some issues. We tried to tighten up — within what was legitimate and within the law — how that is done, but it is difficult.

Mr Copeland: Is it taken into account or not?

Mr Wilkinson: It depends on the nature of the contract that was awarded.

Mr Copeland: Would it have been taken into account in the awarding of the contracts that followed on from the ones that we are discussing?

Mr Wilkinson: You will have a chance to talk the experts in that area after this session. My understanding is that it would not have been taken into account for the previous contracts but will for many future contracts.

Mr Copeland: I understand that, but I want to get my mind around the legal entity. The meeting was attended by people previously connected with Red Sky, which was a separate legal entity because it was in administration. Were they there as people formerly connected with Red Sky or as people possibly connected to a new company that might rise from the ashes?

Mr Wilkinson: As I said before, they were identified for officials by the nature of the letter that requested the meeting with MLAs and representatives from Red Sky. That is how they were noted on the attendance at the meeting. It is quite clear from the minutes of the meeting that there are also people talking about funding a new company.

Mr Copeland: Did Red Sky exist as a legal entity at that stage?

Mr Wilkinson: No, it was Red Sky in administration.

Mr Copeland: That is a different legal entity, as far as I am aware. Did no one pick up on the fact that they were there representing something that did not exist?

Mr Wilkinson: The advice is clear that decisions on the operation of the Red Sky in administration contract rested with Red Sky in administration. That is very clear throughout the briefing, but this was not Red Sky in administration. The people at the meeting were not able to take decisions in relation to activity under the contract.

Mr Copeland: That, perhaps, could give you a road map for a potential destination that they were trying to reach, which is quite acceptable.

At the meeting of Wednesday 30 June, which the Minister chaired, the chief executive of the Housing Executive advised that he had asked for a forensic investigation to be undertaken into other contractors. Had a forensic investigation into the original company, which I think was Red Sky, been undertaken at that stage?

Mr Wilkinson: Yes, by the Housing Executive.

Mr Copeland: Did the Housing Executive of its own volition decide to have a forensic investigation into the other companies or did that come from the Minister?

Mr Wilkinson: That came from the Minister.

Mr Copeland: Right. Could there have been a possibility — I am just thinking out loud — that at some stage in the future when contracts became available, people with the experience and structures, perhaps bought from an administrator, could have gone forward with a clear record? Might they have been in a position to accept a tender for new contracts when other companies under investigation would not have been able to do so, or would that not have been taken into account?

Mr Wilkinson: That is a complex question and, again, I defer to someone who knows more about it. From what you described and what we have indicated, whether or not you were under investigation would not have any bearing on whether you could apply for a new contract relating to the existing contracts.

Mr Copeland: There was also discussion, which Mr Allister referred to, about extending the contract for six months initially. They then came back, I think through the SpAd, wanting to reduce that to four months. Was there any particular reason? What is the difference between six months and four months?

Mr Haire: I think that you would have to ask the SpAd about that. It was a request that he asked be passed on.

The Chairperson: Specific references in the papers outline the difference between four months and six months. It is do with procurement, the timing for awarding new contracts and so on. Trevor?

Mr Clarke: My point has been covered, thanks.

The Chairperson: Your points have been covered, Trevor.

Mr Clarke: Yes. For the minute, anyway.

The Chairperson: It is not very often that a member relinquishes the right to do battle.

Mr Clarke: I have not relinquished my right. *[Laughter.]*

The Chairperson: No problem.

Mr F McCann: I have a couple of questions. A meeting took place with Red Sky representatives on 27 June. You said that the Minister had been advised that any dealings in and around contractual arrangements should be directly with the Housing Executive. Why were DSD officials at the meeting on 27 June?

Mr Wilkinson: I will just clarify and restate that the role of the officials is to provide advice to the Minister, which was done on two occasions, and their role thereafter is to support the Minister in his decision. He decided to attend the meeting, and officials support their Ministers at meetings and provide the appropriate advice. We also attended the meeting.

Mr F McCann: So you attended even though you had advised him that the meeting should not go ahead.

Mr Wilson: Yes. That is very common.

Mr F McCann: At the start of the session, Will, you said that you advised the Minister against the meeting. Did the Minister or the SpAd go directly to the Housing Executive or was it all done through DSD officials?

Mr Haire: Do you mean the meeting on 27 June?

Mr F McCann: Yes.

Mr Wilkinson: Once the decision was taken to hold a meeting and it was in the Minister's diary, a briefing would have been requested in the normal manner, in this case from the housing division. We sought input directly from the Housing Executive to provide us with an up-to-date position, which was included in the brief provided.

Mr F McCann: Some of the information that we have goes back as far as 2001 and shows that Red Sky was in existence under a different name then. I think that three companies amalgamated to form Red Sky. I am trying to get my head around this: should that not have raised concerns when Red Sky was going for a major contract? There had been serious problems in the Shankill area, which is where the former company was.

Mr Haire: That is historical. I do not know the industry well enough —

Mr F McCann: The information that we have is historical. It goes back quite a way.

Mr Haire: The experts in the Housing Executive could best advise on how they handle contracts of this sort.

Mr F McCann: Let us bring it forward, then. Your briefing mentions the Housing Executive and states that it was open to Red Sky to take legal action over the withdrawal of the contracts. If that was the case, and it did not take legal action, obviously it was admitting that there was a problem. Why did the Minister, the SpAd or whoever ask the Housing Executive to withdraw its contracts?

Mr Haire: You have the advice on exactly what the Minister asked on 1 July. He was asking about a slightly different aspect: the process of transferring it to other contractors.

Mr Wilkinson: It is also important to reflect that the issue that officials were pursuing, and on which they were providing advice to the Minister, was how he could get assurance about other contractors. The extension of the contract was with Red Sky in administration. A company in administration has a specific activity, which is to maximise any returns to creditors. It was quite clear that the extension request was for the administrator, if it could run the company. It was not for any new company or for Red Sky as it existed.

Mr F McCann: The meeting of 27 June was with Red Sky representatives. Were any of them a part of the new company?

Mr Wilkinson: The titles assigned to the attendees were the titles given in the invitation request. At the meeting, it was quite clear that those people had been involved in Red Sky. They also made it clear that they wished to establish a new company and acquire elements of what had been Red Sky.

Mrs D Kelly: I am looking at the events chronologically. The Red Sky issue came about through a whistle-blower. The Northern Ireland Audit Office and then ASM Horwath became involved. Independent factual evidence presented to the board of the Housing Executive resulted in the decision to terminate the Red Sky contract. There was then a series of correspondence requesting a meeting with the Minister, which we have been discussing. I believe that I am right in saying that an annual contract of Red Sky's was worth some £7 million. That was among the findings in the report. The Horwath report discovered an overpayment of £1 million. I do not know whether that was a £1 million overpayment in one year: are any of you able to throw light on that?

Mr Wilkinson: I do not have the detail of those particular —

Mrs D Kelly: We could seek clarification on that.

Mr Wilkinson: The memorandum gives some facts and figures on the ultimate overpayment pursued, which, I think, was in the region of £500,000 or £600,000. The details of that will be with the Housing Executive.

Mrs D Kelly: Yes, but there is a difference between pursued and actual, as we know.

Mr Wilkinson: My understanding — I could be incorrect — is that the final figure was determined by the Housing Executive. I am not clear on it, but I think that the ASM report to the Housing Executive extrapolated from a sample. Its own teams then did much more detailed analysis and came up with the figure that was put to Red Sky as being owed, which, I think, was in the region of £600,000.

Mrs D Kelly: Do you have any idea how much Red Sky has paid back?

Mr Wilkinson: I cannot go into detail, but I am fairly certain that the memorandum details the amount that was to be recouped, the amount repaid and the amount written off because it could not be recouped. I do not have the figures, but —

Mrs D Kelly: We will look those out. I was just wondering whether Red Sky went into administration without having paid back any of the moneys that were overpaid.

Mr Wilkinson: That is a matter for the Housing Executive.

Mrs D Kelly: We will pick that up with the Housing Executive.

On the basis of the evidence, which was independently verified by the Audit Office and ASM Horwath, the meeting was set up against your better advice. The Minister went ahead, against your advice, with the meeting. In the run-up to the meeting, the Minister and his colleagues cried foul and tried to distort the reason for the Red Sky termination by saying that it was sectarian, whereas people in west Belfast had concerns about the roof falling in on top of them — I think that for the pregnant woman involved in one episode, it was the fourth time — never mind the historical and widespread failings of Red Sky right across the city. Will you tell me whether the Minister, in the brief, was given the same understanding that I have, which is that independent, factual, evidence-based concerns about poor workmanship or overcharging were, rightly, being addressed by the Housing Executive board? Even a block of flats that did not exist had been billed for. Did you get a sense that the Minister, having listened to Red Sky's "poor me" approach and the victimisation that it tried to establish had taken place, took account of the glaring facts, as opposed to the accusations and false allegations by his colleagues about why the Red Sky contract was terminated?

The Chairperson: We will try to keep this discourse as non-subjective as possible.

Mr Clarke: Dolores would never stray from that.

Mr Wilkinson: The briefings provided to the Minister, updating him on the position in relation to the contracts, were very comprehensive. The Committee has those briefings, which go back through the history and rationale of the decision.

Mrs D Kelly: So the Minister was fully aware of the evidence trail.

Mr Wilkinson: Perhaps not the extensive level of detail that you have quoted. A lot of that came out in the NIAO report, which post-dated this, but, yes, the background and what led up to the determination was fully marked in the briefing.

Mrs D Kelly: The Horwath report was established before —

Mr Wilkinson: Yes, but the Minister did not have the Horwath report —

Mrs D Kelly: Did he not have it in advance of this meeting?

Mr Wilkinson: No, that was the Housing Executive's report.

Mrs D Kelly: Did you not have any knowledge of it either?

Mr Haire: We knew about it. You have the records of our written briefing, and that was the best way of recording what the Department was saying at the time. It is not possible for us to remember what was said in previous —

Mrs D Kelly: That is fair enough.

Mr Haire: You have a very full record of what —

Mr Clarke: Dolores will make it up anyway, do not worry

Mrs D Kelly: There is some chattering going on here.

Mr Wilkinson: Officials were not asked to pursue issues regarding the termination of the Red Sky contract. They were asked to pursue how assurances could be found that the issues that led to the termination of the Red Sky contract were not present in other contractors. We were not asked that in relation to the Red Sky people mentioned. This was extending the administrator's oversight while similar investigations took place for other contractors. There was no challenge to any of the information presented on Red Sky.

Mrs D Kelly: There was a view, and there is a view, that the other contractors have now been brought into this scenario to cover up and muddy the waters.

The Chairperson: As I said, Dolores, try to stick to fact-based questions, if you do not mind.

Mrs D Kelly: OK, Chairperson. I am interested in what happened in July 2011, when the then chairman of the Housing Executive wrote to the permanent secretary asking him to step back. What does that mean? Why?

Mr Haire: You would have to ask the chairman of the Housing Executive. As you can see in the letter, the Minister had a concern about moving to a direction. In that letter, I see a chairman who is very concerned about the issue. He sent a letter to me, and I wrote back at the end of August. In fact, I met him beforehand and explained the situation to him at the end of August. I had given advice, which you can read. Of course, I could not share my advice with the chairman of the Housing Executive at the time because that is not my role, but I had been giving advice, and I do not know why he felt that I was going beyond my bounds on that issue.

I was trying to explain very carefully what was being asked. I had a separate meeting with him on 4 July to make sure that he understood exactly what the limits were and to reassure him that it was not a direction; it was a request to look at this issue. The Housing Executive looked at that and came back to say very clearly that it was impossible because the administrator was unable to continue. The letter came as something of a surprise to me, but, on the other hand, it was a very tense time. There was a lot of tension in the process, and maybe I got a bit of backwash on that issue.

Mrs D Kelly: I want to make one final point. I know that the officials are quite right to point out that it is their role to give advice and support. However, as the permanent secretary, do you not have a responsibility to be a bulwark when a Minister does not do the right thing in the public interest and in line with the Nolan principles? What is your resort? If you are put in an invidious position, what can you do?

Mr Haire: If my Minister asked me to do something illegal, or was doing something illegal or something that breaks the rules of public accounts and finances, I have a duty to make that point to him, but the Minister has to be responsible for his action. I give advice, but nobody expects permanent secretaries to be minders who have control of Ministers. You would not expect that of civil servants; it is a political act.

Mrs D Kelly: If the Minister refuses to accept your advice, have you any safety net? Can you report that to the head of the Civil Service? I am curious about how this works.

Mr Haire: If a Minister asked me to do something involving public money that I feel that I cannot justify, I have a formal position of writing to ask for a personal direction. If a personal direction is given to me, I will notify the Minister of Finance and Personnel and the Comptroller and Auditor General. If I

may say, directions are often given for very good reasons, too. They are for political needs and issues where I cannot find value for money, but where there may be good political reasons. You have to be careful in what you say about directions. If it was a moral issue, or something like that, I suppose that I would have questions, and one might talk to the head of the Civil Service. However, on this issue, advice was given clearly and the Minister made his decision.

Mrs D Kelly: Was that the end of the matter?

Mr Haire: The process went through. In the end, the Minister concluded that he did not agree and the contracts were terminated on the date chosen.

The Chairperson: I want to follow on from that with a question to Will and Michael. According to the record, the flow is around 5 July and what were obviously another frenetic couple of days. I have a question about your respective roles. The chair of the Housing Executive wrote to the Minister advising him of his concerns about the Minister's actions in this matter. Did you share the chair's view — the briefings that you provided to the Minister show that you did — that, if you did not act, or, rather, if the Minister did not act appropriately, it would contravene your obligations in managing public money?

According to the record, Michael, you contacted Brian Rowntree and told him the views of the SpAd. Clearly, that contradicted the advice that you were giving to the Minister about any prospect of modifying, or seeking to modify, contractual arrangements between the Housing Executive and any contractor. In reading these reports, it seems to me that both of you acquiesced in giving advice to the Minister — or perhaps you did not. What I really want to know is this: in both circumstances involving the chair and the chief executive of the Housing Executive telling you that they had concerns about the Minister and the SpAd's involvement, did you continue working with the Minister and the SpAd on that basis? In your case, Michael, you went to Brian Rowntree, I think with an email, putting to him the business of four months as opposed to six months. I suggest to you that that would certainly be a potential modification of a contract, which would be outside the legal advice. I will give you a second or two to come back on that.

Mr Haire: If you read my advice to the Minister of 1 July, you will see that it makes very clear my position. Once we got the letter on 5 July, I made a submission to the Minister on 6 July, which you can see. It makes absolutely clear my position. The Minister followed that and agreed. I was absolutely clear about my position on public money etc. You have it on record. Obviously, there are bits of legal advice that I cannot share with you, but you will see the position clearly from those notes.

I will let Michael come in and answer the question to him, but I want to make one point. The key issue that the Housing Executive was, rightly, addressing on 5 July was the Minister's letter, which said six months. As I understand it — I heard about it only subsequently — Michael received a request from the SpAd to ask the Housing Executive to ask the administrator whether, if the period was four months, its position would be different. The key is that the Housing Executive and its board were being asked to look at those issues. Michael, do you want to comment?

Mr Michael Sands (Department for Social Development): Yes, Chair, that is correct. The Housing Executive board meeting was being held that day, as you said, and we explained in the briefing why the letter changed the period from 80 days to eight weeks, to six months and then back again to four months. It was a request. Six months did seem quite long. We had taken advice from CPD on the time that it would take to undertake a procurement exercise. We were reducing the period, but it had already been changed twice.

The Chairperson: Given the concerns expressed formally by the chief executive and the chair of the Housing Executive — you were well aware that it was their legal responsibility not yours or the Department's — did you think that it was appropriate for you to pass on a question from the SpAd? If you thought that it was appropriate, did you discuss it with any of the other senior officials? It seems to me, on reading that, that that would have been an inappropriate action because it clearly borders on seeking to modify an existing contract. By the way, I am addressing the issue because it is one of the terms of reference that we are addressing this afternoon.

Mr Sands: With the passage of time, Chairman, I cannot remember whether I discussed it. It was 7.30 am when the SpAd made the approach. I think that I checked with someone, but I cannot honestly remember. We sent it off because we needed to make that approach before the board meeting.

The Chairperson: Why did you need to make the approach when you knew that it was against the advice that you had previously given to the Minister? We are trying to get to the bottom of where the fault lies, because it seems that there was fault; we know that. I am trying to establish this with Michael because I suggest that getting a phone call or whatever at 7.30 am might not happen that often. Maybe you get such calls every morning; I do not know.

Mr Sands: He came down to see me in my room.

The Chairperson: You cannot recall whether you discussed it with anybody else after that, but you forwarded it to the Housing Executive?

Mr Sands: No. I cannot remember. I may have done, but I cannot honestly remember.

The Chairperson: If you may have done, can you speculate on whom you may have contacted?

Mr Sands: No. I really cannot remember.

The Chairperson: Would it have been the door person in the Lighthouse Building, the permanent secretary or Jim?

Mr Sands: It would have been someone above my pay grade.

The Chairperson: Who would that be, then?

Mr Sands: It would have been line management.

The Chairperson: Can you name the person for the record?

Mr Sands: I cannot remember.

The Chairperson: You cannot remember who your line manager was.

Mr Sands: No. I cannot remember whether I spoke to someone. I said that I may have done.

The Chairperson: I know, and I appreciate that, but I am trying to work out who. If it was someone above you, there cannot be too many people who were above you.

Mr Sands: The line of command

The Chairperson: We might be able to ask those individuals whether they can recall it.

Mr Sands: The line of command is sitting along this table, so I —

Mr Haire: Sorry. At some time, I heard about the issue, whether it was that day or after the board met. I do not know when I heard it. I do not think that I was there at 7.30 am. However, the key point for me is that I did not understand why this request had gone in in the process, but the key issue was the letter from the Minister. As I say, you would need to ask —

The Chairperson: Can I interpret from what you have just said, Will, that you did not think that contacting the Minister on the back of the request from the SpAd would have been the right thing to do?

Mr Haire: What I did not understand was why the request was made. The Minister's letter said six months. That was what the board was looking at, and I could not understand it.

The Chairperson: I think that it is a serious enough comment to make. Fair enough, one can deal only with what you can recall and what you are giving evidence on to the Committee. I infer from what you say that it was certainly flagged up in your mind as an unusual thing to do.

Mr Copeland: I have a couple of small points. In the meeting on 30 June 2011, reference was made to a meeting that had taken place two days earlier with the Minister and the chair of the Housing Executive, following receipt of further information from the Housing Executive about concerns with another contractor. The Minister had no choice other than to request a forensic investigation. Who was present at the meeting, in so far as you are aware, on 28 June 2011, and what issues were discussed? Did any of the contractors that were referred to as contractors in the meeting of 30 June resurface later on as being included by name in the ministerial statement that we spoke about this morning?

Mr Wilkinson: I will put this in context. A variety of meetings were taking place at this time; some were minuted, some were ad hoc, and some were not. However, from recollection and looking at diaries, I cannot confirm but I believe that there was a meeting on 28 June that was attended by the chair and the acting chief executive of the Housing Executive. I think that I was present and possibly Michael was. At this meeting, the Minister posed questions and asked whether there were issues about other contractors that may have difficulties. I think that he also maybe posed a question about what that means for the Housing Executive side: whether there are issues about how it manages contracts and whether there have been any disciplinary matters. I think that, at that stage, the chair said that there was another company and that there had been disciplinary action. We can get you information about that.

Mr Copeland: Was it one other company or several companies?

Mr Wilkinson: I cannot recall, but what I know is that, subsequent to that, the information provided by the Housing Executive and recorded in the briefing for the meeting on 30 June was the Housing Executive's response to that verbal meeting. They gave information on another contractor that it was looking at and on disciplinary procedure.

Mr Copeland: It was "a contractor" on 28 June and "contractors" on 30 June. That is my understanding. Were any of those companies named, and was there any correlation between the companies that were named or suspected on 30 June and those that were subsequently mentioned in the ministerial statement of 10 June some years later?

Mr Wilkinson: No.

The Chairperson: For the record, Michael, I remind you and others — I have just been reminded myself — that the four named contractors were planned maintenance contractors. We are dealing with response maintenance.

Mr Copeland: I understand. Did they not perform any of those duties?

Mr Wilkinson: Sorry, are you asking whether some of the planned maintenance contractors were response maintenance contractors? We would need to check. I think that they might have been. The Housing Executive will know more about that than I do. The Minister got additional information about investigations, and none of those companies was in that.

Mr Allister: I want to ask about a couple of things. I want to pick up on the point that the Chairman asked you about, Mr Sands. The email of 7.40 am on 5 July is from you to Maria McLaughlin. It actually opens with "Brian". Whom were you addressing?

Mr Sands: She is his PA.

Mr Allister: Right, OK. Brian who?

Mr Sands: Brian Rowntree.

Mr Allister: Brian Rowntree — the chairman. If you were asked at 7.30 am by the SpAd to do that, and you sent the email at 7.40 am, one thing that we can deduce is that, if there was consultation with anyone else, it was very short. We have certainly not been furnished with any emails that suggest that you emailed anyone else about it.

Mr Sands: I could have spoken to them.

Mr Allister: You cc'd Mr Wilkinson into it.

Mr Sands: Yes.

Mr Allister: But you still cannot remember whom you might have spoken to.

Mr Sands: No.

Mr Allister: Mr Haire, you gave very clear and appropriate advice against an article 10 direction. It was quite clear that that was in the Minister's mind. He took your advice, but it is quite clear that that was in his mind. Is that fair?

Mr Haire: I think that there is a reference in one of my submissions that the issue had been mentioned, so it must have come up in that discussion.

Mr Allister: He then desisted from that. With the board meeting coming up on 5 July, is there some evidence that a different tack was then approached — namely that of seeking to canvass opinion on the board?

Mr Haire: Sorry, I am not aware of that. Other than —

Mr Allister: Were you not aware of the statements by Councillor Jenny Palmer that she was lobbied by Mr Brimstone?

Mr Haire: Sorry, I am obviously aware of that and that that happened, but I was not aware of any sort of discussion about an approach to the board etc.

Mr Allister: Would it be OK or would it be wrong for a civil servant to seek to lobby an executive board member to seek him or her to change his or her position?

Mr Haire: It is not something that a civil servant would do.

Mr Allister: It is not something that you would expect a civil servant to do.

Mr Haire: No. In a certain situation, a Minister could ask for information to be sent, and the answer could be to go to the chairman and tell him or her the Minister's position. However, the position of officials is *[Inaudible.]*

Mr Allister: Yes, but a SpAd, of course, is a civil servant. A SpAd is a temporary civil servant who is subject to the same obligations.

Mr Haire: Yes, there are obviously issues that I am sure you will explore with the individual —

Mr Allister: To help us to explore those —

Mr Haire: — about this question of devilling on behalf of the party and all those issues that are in the —

The Chairperson: Jim, I do not want to interrupt your flow, but I want to make a point. We accept that these things are difficult. People are in awkward positions. They work with other people — colleagues, Ministers, advisers — and all those relationships are sometimes difficult and fraught with tension. Some of that is healthy and important. It is very clear that, if you are being asked questions, you need to give an answer as clearly and precisely as you can, regardless of relationships or anything of that nature. We have to set all that to one side even though we continue to work with the same individuals. We have a job of work to do here. We are expected to be professional in our manner of questioning, and everyone else is expected to be professional in their responses.

Mr Allister: We know that you instigated a fact-finding investigation. Has that concluded?

Mr Haire: The Minister is writing to the Committee on that issue.

Mr Allister: Are you not going to answer the question?

Mr Haire: The fact-finding has been concluded.

Mr Allister: When was it concluded?

Mr Haire: It was concluded last year.

Mr Allister: In the autumn of last year.

Mr Haire: That is all I know.

Mr Allister: Where is it being sent?

Mr Haire: It is being considered in the Department and with the Minister.

Mr Allister: Has it resulted in any disciplinary or intended disciplinary proceedings?

Mr Haire: That is an issue for the Minister. He is going to reply to the Committee.

Mr Allister: You are avoiding that question.

Mr Haire: It is an issue for the Minister to reply to.

Mr Allister: No. You are the permanent secretary. You have personnel responsibilities for civil servants in your Department, of which Mr Brimstone is one.

Mr Haire: I think that the Minister's letter will explain the situation.

Mr Allister: After the matter being with the Department since last year, when will the Committee see the Minister's letter?

Mr Haire: I would hope that you will get it in the next day or so. He has committed publicly to replying to you within the 10 days. I think that that is up today.

Mr Allister: I think that the Committee has been pushing for it for a lot longer than 10 days. I also think that individual MLAs, including me, have been writing to you for a lot longer than 10 days.

Mr Haire: Indeed.

Mr Allister: I think that you have correspondence from me that reaches back over a year.

Mr Haire: Indeed.

Mr Allister: Yes. So the Department has been sitting on this for a year.

Mr Haire: As I said, it is an issue that the Minister has been considering.

Mr Allister: What is it in the fact-finding investigation that you are trying to conceal from the public?

Mr Haire: The Minister will reply to you. It is an issue for the Minister.

The Chairperson: Jim, it is clear that Will is not going to go beyond that. However, the Committee has been corresponding with the Department over the last year on this matter and has had a variety of responses. I suggest that you reflect on those. A number of responses have been issued to us throughout the year that we have as part of our correspondence.

I remind people that this is an inquiry and that it will get to the bottom of these matters, no matter how long it takes. As I said, there is a trail of correspondence between us and the Department over the

last several months. That is a matter of public record, so I ask you to reflect on that. It does not relate only to the documents or the report, which I understand and which was last confirmed to us as being with the Minister since last September. I want you to reflect on that as we will return to the litany of correspondence that we have.

Mr Allister: May I make this point to you, Mr Haire? Part of the area that the Committee has to investigate is the actions or whatever it was that Mr Brimstone did or did not do and say. Do you agree that it could be of assistance to the Committee to know what the fact-finding operation produced?

Mr Haire: I think that you will want to ask the Minister about that.

Mr Allister: I will want to ask the Minister? I want to ask you. You set it up.

Mr Haire: The point of fact-finding is to find out the facts —

Mr Allister: Yes, but you set it up, and the report goes back to you, does it not?

Mr Haire: It is a personnel report. That is the issue in that process.

Mr Allister: Yes, and Mr Brimstone is one of your personnel.

Mr Haire: The issue is the role of the SpAd and how it fits into departmental personnel issues.

Mr Allister: They are not, however, above the ethic requirements of the Department, are they?

Mr Haire: The issue, of course, is about who makes judgements on the issues of the ethics.

Mr Allister: You told us that you would regard it as unacceptable if a civil servant were to try to lobby members of the Housing Executive board.

Mr Haire: It is not for civil servants to lobby; the issue, of course, as the Minister explained, is about the devilling role of the special adviser. That is the issue.

Mr Allister: Finally, let me ask you one other thing. In the discovery that we have received from the BBC, there is correspondence back to Mr Thornton from Grainne McConnell, who is a civil servant in your work. It refers to you making a reference to the Northern Ireland Office pertaining to Mr Rowntree. When was that done?

Mr Haire: I cannot remember the date. It was a separate issue at the time.

Mr Allister: Was it about that time?

Mr Haire: It was, I think, around that time.

Mr Allister: Mr Rowntree wrote to you at the beginning of July. You took exception to some of the things he wrote. Is that right?

Mr Haire: The issue here is a totally different issue.

Mr Allister: I am just trying to get the chronology. You took exception to some of the things that he wrote to you. Is that right?

Mr Haire: I think that it was on 25 June, so it was before that time.

Mr Wilkinson: It was actually two years later.

Mr Allister: What is two years later?

Mr Wilkinson: The note from Grainne to the BBC was two years after the letter.

Mr Allister: I am back in 2011. In 2011, in or about the beginning of July, Mr Rowntree wrote to you in terms to which you took exception. Is that fair?

Mr Haire: I had to put on record my disagreement with him. However, as you will see from his correspondence, he accepted my point.

Mr Allister: Where, in date and time order, did you refer to the Northern Ireland Office his holding of the position of chairman of the Civil Service Commissioners? When did you do that?

Mr Haire: I think that that must have been in June 2013. It was before the Red Sky issue. Perhaps it was 2012.

Mr Wilkinson: I am almost certain that it was following an internal report from the Housing Executive that was received in 2013.

Mr Haire: Yes. Sorry, apologies —

Mr Allister: I am sure that you can confirm to us when that happened. Can you?

Mr Haire: I will come back to you on that in the process. I think that there is quite a distance in time. They are very separate issues in the process.

Mr Allister: I do not really want to go into that issue, but why were you doing that?

Mr Haire: An issue had come up about something in the Housing Executive. A PAC report stated that, in a public appointment, if you see something that needs to be answered by a public appointee and if they are in another Department, it is your duty to make the other Department aware of something that that new Department needs to be aware of. I felt that there was an issue that Mr Rowntree had not answered in the Housing Executive — it was nothing to do with Red Sky — that had to be answered. I felt that, in light of that, it was my duty to tell the Housing Executive that the NIO needed to look at that issue. I also felt that it was my duty to tell Mr Rowntree that I was making that reference. That went to the NIO.

Mr Allister: Did you think that you had the same public duty in respect of a special adviser who might have overstepped the mark in trying to lobby independent members of a Housing Executive board?

Mr Haire: It was only after the event, when the issue had been solved and the board had met, that I heard. A reference from Brian Rowntree advised me that he had concerns about lobbying issues. It emphasised very much that it was a political party issue; it was the whole question of the role of —

Mr Allister: When did Mr Rowntree advise you of his concerns about lobbying?

Mr Haire: I heard about that a day or so after the event.

Mr Allister: Did Mr Rowntree raise that with you?

Mr Haire: He mentioned it to me but indicated that nothing needed to be done on my part.

Mr Allister: He told you about it.

Mr Haire: He told me about it.

Mr Allister: Did he identify the lobbyist?

Mr Haire: He gave me a sense of the conversation that was subsequently [*Inaudible.*] I cannot remember the exact words that he used, but it was that something of that sort had taken place, but it was a party issue.

Mr Allister: Thank you.

Mr Clarke: I am sure, Will, that you have listened in and followed Committee proceedings. The Audit Office gave evidence last week, and it was interesting to hear about the trend of overcharging and how it was recorded. I will go back to Dolores's — Mrs Kelly's — comments. She suggested that people might say, in terms of the overcharging, that it was sectarian. With Red Sky, how much was the overcharging when it was finally calculated?

Mr Wilkinson: We may have to come back with some of the detail on that.

Mr Clarke: I will take an approximation.

Mr Wilkinson: Broadly, I think that the final figure that was put to Red Sky by the Housing Executive was around the £600,000 mark.

Mr Clarke: £600,000.

Mr Wilkinson: That is my understanding, but I am sure that we will come back with more accurate figures on that.

Mr Clarke: From the Audit Office's evidence, you will be aware that the Housing Executive did not start to record until 2010 or 2011. However, there was a problem with overcharging in the Housing Executive for many years, which has been recognised. I am paraphrasing, but I think that that is what was said last week.

Mr Wilkinson: The Audit Office report into response maintenance identified clear systemic failures that facilitated overcharging.

Mr Clarke: It is right that those should be addressed. No company should be overcharging. Given the systemic failures in the organisation over many years, suspicions about the east Belfast company would have been raised under the leadership of the SDLP's Alex Attwood, because he was the Minister for Social Development at the time. Something could be said about the sectarian nature of the way in which this one raised its head.

More recently, with the four companies and the issue of overcharging, there was a figure of £18 million, and some work was done. Was the same methodology used to try to establish the extent of the overcharging in that contract?

Mr Wilkinson: Questions about the details of the methodology applied to assess overcharging would be more relevantly put to the Housing Executive. However, I make the point that the recent overcharging related to planned maintenance.

Mr Clarke: It still —

Mr Wilkinson: Response maintenance was a different activity, and I can say —

Mr Clarke: Some of us outside the industry could describe it as a blank cheque.

Mr Wilkinson: The issue with response maintenance is that the methodology used by ASM Horwath for the Red Sky investigation was exactly the same methodology used by ASM for the forensic investigation subsequently commissioned by the Department.

Mr Clarke: Given the scale of the most recent overcharging, what did the final figure equate to?

Mr Wilkinson: Sorry, in relation to —

Mr Clarke: The final figure for overcharging of the most recent case.

The Chairperson: In the settlement?

Mr Clarke: Yes.

Mr Wilkinson: I do not have those figures with me. Was it £12 million and then £10 million underpaid? It was £2 million.

Mr Clarke: It was £2 million. I suppose —

Mr Wilkinson: There was a lot of debate about how those figures were reached, and I really do not want to go there.

Mr Clarke: Sure what is £2 million when we are talking about £500,000?

Many Members, including the honourable Member opposite, were very keen to lobby on behalf of the companies to make sure that the overcharging issue was resolved. Is there any suggestion that any of those four companies will have their contracts terminated?

Mr Wilkinson: We have made it quite clear that the contractual management was between the Housing Executive and its contractors. I think that those contracts were coming to an end anyway. There was a new contract process. The issue as well —

Mr Clarke: So it is acceptable to overcharge, and, in those cases, it is acceptable for Jim Allister and others to lobby for those contracts —

Mr Allister: *[Interruption.]*

The Chairperson: Trevor. Sorry, folks, hold on a wee second.

Mr Clarke: You are allowed to badger, and I am not.

The Chairperson: We are doing quite well. It is 2.45 pm, and it has been a long old day. Everybody expects there to be a certain amount of cut and thrust. By the same token, for as long as we need to be here and however many questions people want to ask — they are free to do that — let us try to keep the questioning as professional as possible. The less subjectivity there is in people's remarks, the less need there is for rebuttals from other members. All I am saying is that you should ask a question and allow time for a response, then ask another question. That is the way we will tease it out.

Mr Wilkinson: I was only going to make one point, Chair, which is that, in the evidence provided to the Committee, the reasons that the board terminated the Red Sky contract were not in relation to overpayments. It was in relation to trust and relationship. It did not relate to the overpayment figures.

Mr Clarke: Was there nothing in the report to say that its work was satisfactory?

Mr Wilkinson: I think that was one of the —

Mr Clarke: Satisfactory, as opposed unsatisfactory.

Mr F McCann: Far from it.

Mr Clarke: There is the sectarian card coming out again from west Belfast.

Mr Wilkinson: You will be able to explore that —

The Chairperson: Fra McCann, please be quiet.

Mr Wilkinson: As I said, you will be able to explore that further with the Housing Executive officials, who know the exact detail of the termination of the contract.

Mr Clarke: If overcharging is taking place, then it is public money and people should be held to account for that. I suppose it is about consistency. Since 2011, a company's name has been dragged

through the quagmire for many years and still is. I can understand why it was raised at that time in terms of the sectarian attitudes towards that and where the genesis of it all came from.

Mrs D Kelly: Chair, we are all used to distortion of the facts from Mr Clarke.

Mr Clarke: Listening to you, Dolores, it is very easy to get distortion.

Mrs D Kelly: Empty vessels make the most noise.

Mr Clarke: Every time you open your mouth, there is distortion.

The Chairperson: Hold on a wee second. Trevor, we have been doing OK today. Everybody has their opportunity to ask whatever number of questions they need to ask. We are just trying to moderate this a wee bit so that we can get through the business as professionally as we can. If you have made your point and asked your question, fine, then let others come in and do likewise. If you need to come back in again, just ask and you will be brought in.

Mrs D Kelly: Chair, I would like to place it on record that the comments that I made earlier and my questions were based on the evidence before us in Hansard and elsewhere in terms of how the situation evolved.

The Chairperson: That is fair enough. The point is made.

Mrs D Kelly: Furthermore, just as a matter of record, too, Chair, I think that we owe a debt of gratitude to Minister Attwood for initiating investigations on back of evidence and concerns raised.

I will go back to my question. The Red Sky contract was terminated. What happened to those contracts? Were they reissued or re-tendered? It might be a Housing Executive matter.

Mr Haire: It is best to ask them. There was an entire re-tendering exercise, but you have got the experts coming.

The Chairperson: I think that the outstanding work was assigned to adjacent contractors, and workers brought across under TUPE where appropriate. I think that that is what happened, because they were nearing the end of those contracts.

Mrs D Kelly: Concerns were raised and an independent inquiry and investigation presented to the Housing Executive, and that resulted in a decision to terminate the contract. Do you regard that as appropriate action by one of your arm's-reach or independent organisations?

Mr Haire: It was totally within their power and right, and I understood that.

Mrs D Kelly: Was it the right thing to do?

Mr Haire: If they found that there was evidence of that, I totally support them.

Mrs D Kelly: On that basis, do you share my concerns that the Minister sought to overturn what was appropriate action by the Housing Executive that was based on evidence? Contrast that with how he treated other contractors.

Mr Haire: The Minister made a specific request, which was not overturning. We are on record on this issue.

Mrs D Kelly: I will come back to the point —

The Chairperson: We have a couple of, I hope, minor interventions.

Mr Copeland: Jim, you mentioned a figure of about £600,000 in relation to Red Sky. Was that net, including any compensation events that had been factored into it, or was that the gross amount?

Mr Wilkinson: Again, I trust that you will get a more detailed and knowledgeable answer from colleagues in the Housing Executive. My understanding of how response maintenance works, and of their attempt to recoup, is that they identify an overpayment and then recoup it from moneys due in other work to then get a net figure. I am sure that they will be able to give you more detail about how they attempted to recover that.

Mr F McCann: I have a couple of points. You said that procedures possibly facilitated overcharging in response maintenance; that was when you were talking about Red Sky. My question is about the termination of the Red Sky contract and the Minister ordering a forensic investigation or review of the response maintenance. What was the outcome of the forensic review? Did it find that there were other companies involved in overcharging and that there were poor maintenance records? If so, what happened to those companies?

Mr Wilkinson: Again, the findings of that forensic investigation were provided to the Committee. It was given a copy of what was referred to as the ASM report.

Mr F McCann: I am just asking you to remind me a bit.

Mr Wilkinson: It found aspects of overpayment.

Mr F McCann: What happened to those companies: did they lose their contracts?

Mr Wilkinson: To give a bigger picture of the response maintenance contract environment; the contracts were all up for recontracting anyway, so it was a different process. No contract was stopped. By the time the ASM 2 report came out, the new procurement exercise had commenced to secure the new contractors. By the time the report was published and provided, those contractors had gone, but the Housing Executive took the ASM 2 report, which identified elements of overpayment, but, more importantly, identified the causes of overpayment as an issue that still had to be addressed. Those causes had featured in work that the Housing Executive was already doing to improve response maintenance.

In effect, the ASM 2 report stated that, yes, there were elements of overpayment, quantum was different, issues that caused the overpayments were the same and the measures that needed to be taken to address it were very similar. Work was already progressing, and the report was published and is with the Committee. As to whether any of those contractors featured in new contracts, I think that the Housing Executive would have provided information and advice on that.

Mr F McCann: On that point, let us go back to the Red Sky contract. I take it that it was also terminated because of the poor maintenance record in many areas. Am I right?

Mr Wilkinson: The Housing Executive will give you the full detail of why. We knew that it was terminated. I think that there is an exact form of wording in the memorandum.

The Chairperson: Again, this is not particularly relevant to the phase 3 issue. We have terms of reference that we are dealing with; we are not re-investigating or re-examining the nature of contracts.

Mr F McCann: I understand that, Chair, but as part of the evidence, the Minister had said that he wanted to conduct forensic reviews on a number of other companies. I take it that the information provided to the Minister to kick-start that came from Red Sky because it was making the complaints.

Mr Wilkinson: No; again, a series of information was provided, so the Minister was briefed about the issues that had given rise to the termination of the Red Sky contracts, including failings.

Mr F McCann: So, Red Sky.

Mr Wilkinson: He was advised of the governance review, which had identified potential failings, and he was aware of the qualifications of the Audit Office. So, there was a whole raft of issues. In addition, the Housing Executive alerted him to the fact that there was at least one other contractor and that there were significant disciplinary matters. It was a portfolio of information.

The Chairperson: OK. No other member has indicated to speak on this matter for now. Will, is there anything that you or any of your colleagues want to say for the record? If not, that is fine, but we will be keen to take any response if there is anything that comes to mind afterwards. As this is an open inquiry, we may want to revisit some of the matters we have raised today. It is a two-way process, so please feel free to come back to us at any time if you want to correct or add anything. Thanks very much for your attendance here this afternoon.

Mr Haire: Thank you.