



House of Commons
Committee of Public Accounts

The cancellation of Bicester Accommodation Centre

Twenty-fifth Report of Session
2007–08

*Report, together with formal minutes, oral and
written evidence*

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The Committee of Public Accounts

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Summary

Between 2001–02 and 2005–06, the Home Office spent £29.1 million planning and designing a purpose-built accommodation centre for asylum seekers at Bicester. It was an innovative pilot project and formed part of a wider Home Office initiative to cope with rising numbers of asylum applications by speeding up the processing of asylum claims and reducing the social tensions and the risk of fraud inherent in the way that asylum seekers were dispersed around the UK.

Falling numbers of asylum applicants, a rise in the projected net cost of the planned facility at Bicester, and a general improvement in the speed of processing asylum applications under the existing system, led to the cancellation of the Bicester Centre and the shelving of the wider accommodation centre policy in June 2005. As the project was cancelled before building work began, the only benefit to the taxpayer is the semi-derelict site, valued at some £4.6 million, which remains in the Home Office's ownership.

The strength of opposition to the proposed accommodation centres from national refugees groups and local resident groups, which was identified during the passage of the Nationality, Immigration and Asylum Act 2002, was not fully reflected in the business case for Bicester. The business case also did not take into account the potential adverse impact on cost and delivery arising from a protracted planning delay. The decision by the Home Office to sign the contract with its preferred bidder before completing the outline and detailed planning processes increased the risk of nugatory expenditure.

The lessons to be learnt from Bicester have wider application to government bodies planning innovative projects. These lessons include: the need to strengthen corporate governance arrangements where consultants are engaged at an early stage, to co-ordinate policy changes in different parts of an organisation together with consideration of external events, and to increase the effectiveness and scope of consultation with the local community and other stakeholders.

On the basis of a Report by the Comptroller and Auditor General,¹ we examined the Home Office on the reasons why the cancellation of the wider accommodation centre policy resulted in nugatory expenditure of £29.1 million being noted in the Home Office's financial statements. We also examined the potential future use of the Bicester site.

Conclusions and recommendations

- 1. The £29 million spent on the Bicester accommodation project did not deliver any benefit to the taxpayer or advance the development of asylum policy.** From the outset, the benefits forecast for the project never outweighed the expected costs. The Department signed the main contract before obtaining detailed planning permission, and should have managed its consultants more effectively. It planned and granted the contract without considering the need for an exit strategy. The Home Office did not seek to gain the confidence of the local community even though it was aware of the strength of feeling locally.
- 2. The business case for the Bicester Centre did not recognise explicitly the inherent risk of planning delay, nor the changes to the asylum system and external events, on the potential cost and delivery of the project.** The business cases for innovative or controversial projects should be explicit about the risks facing the project and how they are to be managed. They should also be based on realistic assumptions about likely costs and realisable benefits, and include ongoing consideration of whether the proposal continues to offer value for money. If the value for money of a project relies on unquantifiable benefits, this should be made clear to the Accounting Officer, together with the financial implications of cancelling the project at key stages in its development.
- 3. In planning this innovative project, the cost benefit analyses were not subjected to close and ongoing scrutiny by the Home Office's Group Investment Board to assess whether the nature and timing of the anticipated benefits were realistic.** Such scrutiny was particularly important given there were other policy developments in hand which impacted upon the need for the scheme. The Home Office should have assigned responsibility for co-ordination of asylum policy at a sufficiently senior level to avoid 'silo working'.
- 4. Not all of the benefits included in the Bicester cost benefit analysis were true savings or "cashable", increasing the likelihood that the net cost would be greater than the £39 million forecast in the business case.** The Home Office should have followed the Treasury's Green Book on investment appraisal which sets out detailed guidance for the economic assessment of the social costs and benefits of all new policies, projects and programmes. The Green Book, which all Department should follow, recommends that all spending proposals should be accompanied by a proportionate and well structured business case.
- 5. More than £6 million was spent on consultants but the Home Office could not demonstrate that they had added value in helping the Department mitigate risks to delivery of the project.** The Home Office should review its procedures on the appointment and use of consultants and, in particular, should take heed of this Committee's 31st Report of Session 2006–07, *Central government's use of consultants*.

6. **The Home Office and the Border and Immigration Agency failed to develop effective contact with the local community and other interested parties, including local MPs.** When compiling the business case for an innovative or sensitive project, the Department should consult with interest groups and other stakeholders and reflect their views in the business case.
7. **The Home Office did not have a strategy for dealing with strong public opposition to controversial projects.** When seeking planning permission for controversial projects, the Home Office and the Borders and Immigration Agency should model costs under a wider range of scenarios and learn from the experiences of colleagues planning the location of new probation and drug treatment hostels.
8. **Some 30 months after the cancellation of the Bicester Centre, the Home Office has yet to inform the local community of its future intentions for the site.** The Home Office should come to a decision on the future use of the Bicester site to end the uncertainty for local people.

1 Mitigating the risks to value for money

1. Between 2001–02 and 2005–06, the Home Office planned and designed a purpose-built accommodation centre for asylum seekers at Bicester. It was an innovative pilot project and formed part of a wider Home Office initiative to cope with rising numbers of asylum applications by speeding up the processing of asylum claims and reducing the social tensions and the potential for fraud which were inherent in the asylum dispersal system at the time. Of the £33.7 million spent by the Home Office on the wider accommodation centre project, around £29 million was spent on designing and planning the Bicester centre and £4.6 million on site searches at up to 40 other locations. The Department accepted that the accommodation centre policy had not worked. No development took place at the Bicester site and the site is now semi-derelict.²

2. When preparing the Bicester business case, the project team assumed correctly that the application for outline planning permission would be referred to a local planning inquiry. The team did not, however, consider the likely impact of a judicial review on the cost and delivery of the scheme. Planning delay was a major risk to this innovative but controversial project, requiring strong project management and monitoring to mitigate the rising costs and falling potential benefits that could arise from deferring work on site once the contract had been let. That the business case did not fully recognise these risks was surprising, given that the Home Office bought in specialist planning consultancy advice.³

3. In December 2003, the Home Office Gateway 3 Review set the status of the project as Red because the case for accommodation centres had not been developed into a fully articulated programme.⁴ The Gateway Review concluded that the Bicester business case needed updating with the latest cost estimates and benefit assumptions, as well as for the policy developments and performance improvement measures introduced since the project was first announced. In February 2004, when the project team submitted the business case to the Home Office's Group Investment Board, the Board asked the project team to amend it to include wider benefits, such as faster removal of unsuccessful applicants. When the full business case was resubmitted to the Group Investment Board in May 2004 with the results of the benefits realisation exercise included, no mention was made of the policy developments or the performance improvement measures.⁵

4. From the outset, the benefits forecast for the Bicester accommodation centre never outweighed its expected costs. In May 2004, the Department's Ministers and Accounting Officer were briefed by the Project Sponsor that Bicester did not constitute value for money if only the most narrow and easily quantifiable benefits were taken into account. The January 2004 business case calculated the net present cost of the project, excluding

2 Qq 10, 38, 86

3 Qq 40–41; C&AG's Report, Executive Summary, para 6

4 Gateway Reviews are carried out on major IT-enabled construction and procurement programmes and projects. These can be reviewed at six stages of the procurement lifecycle. Gateway 3 is the Investment Decision and the OGC Gateway Review methodology defines Red status as "To achieve success the project should take remedial action immediately". This does not necessarily mean stop; it indicates that there are issues which need to be addressed straightaway.

5 Qq 13–14; C&AG's Report, paras 17–20

benefits, at £179 million (around £18 million a year at non-indexed prices). Only high level work had been carried out on potential benefits, which were heavily qualified and estimated at around £10.6 million a year at non-indexed prices. The more detailed benefits realisation exercise carried out in May 2004 identified savings from narrow benefits of £22.3 million a year for Home Office and the National Asylum Support service budgets, as well as broader benefits for both organisations of £18.1 million. Not all of the narrow benefits identified were true savings or efficiency gains in the sense of being “cashable”, and the nature and timing of the broad benefits were probably unrealistic, given the other measures in hand to speed up asylum applications. Even with these broad benefits, the cost of the project still exceeded the forecast benefits by £39 million, or some £4 million a year.⁶

5. Operationally, the Home Office expected Bicester to provide a more economical and efficient means than the existing system of processing asylum applications and housing applicants. The Home Office treated these efficiencies as benefits and quantified them in money terms. The business case was based on a broader set of estimates about the benefits. These benefits included an estimate of the impact on the overall budget of dealing with asylum applications more quickly, of not having to house them for so long, and of being able to deport unsuccessful applicants more quickly. The business case did not state the actual cost of asylum applications under the existing arrangements. Nor did it explain how the potential efficiencies would be derived. The Home Office told us that the exclusion of this analysis was because of the Department’s belief at the time had been that it was not possible to establish accurately enough how much it cost to handle an asylum application. The Department considered that other unquantifiable benefits were likely from the use of accommodation centres, such as the impact on putting asylum applicants in one place, rather than dispersing them into local communities.⁷

6. The Home Office employed agency staff to act as procurement and financial advisors on the project (**Figure 1**). Over five years, it paid over £1 million to buy in these skills, which it did not have in-house. Whilst the use of agency staff met the Department’s short term needs, recruitment of staff with appropriate skills would have been a better investment. We endorse the views of our predecessors that key posts on projects should be held by in-house staff, and that departments should take a medium to long term look at their recruitment and training needs.⁸

6 Qq 10, 109–112; C&AG’s Report, paras 21–24

7 Qq 2–4

8 Qq 117–120; Ev 15 and Ev 17; Committee of Public Accounts, Thirty-first Report of Session 2006-07, *Central government’s use of consultants*, HC 309

Figure 1: Details of Home Office Civil Servants pay (including Agency staff) 2001–02 to 2005–06

STAFF	STATUS	PERIOD WORKED (MONTHS)	TOTAL PAID £'000
Project Manager	Civil Servant	44	204.4
Personal Secretary	Civil Servant	38	47.8
Deputy Project Manager	Civil Servant	33	145.1
Procurement Manager	Civil Servant	39	173
Communications Manager	Civil Servant	30	114.4
Project Support	Civil Servant	36	67.4
Procurement Advisor	Agency Staff	32	497.9
Financial Advisor	Agency Staff	39	614.3
TOTAL			£1,864.3

Source: Home Office

7. Whilst a project of the size and complexity of Bicester required expert input, the Home Office failed to demonstrate to this Committee that it had a firm grasp on the risks associated with the appointment, use and management of consultants expected of a major government department. It did not analyse payments made, such that it cannot now say how much was spent on each site search. It has had to rely on apportionment of costs between Bicester and other sites, as it did not record this information properly at the time. Nor could it demonstrate that its consultants added value by helping the Department mitigate risks arising from the nature of the project. In all, £6.3 million of the resources spent on Bicester was spent on consultancy (**Figure 2**).⁹ This included £0.7 million on planning consultancy, even though the business case did not anticipate the impact and duration of planning opposition. It also included around £4 million on project management, including architects and cost consultants, even though the Department signed the main contract before obtaining detailed planning permission, and incurred a £7.9 million termination payment when the project was cancelled.¹⁰

Figure 2: Other consultancy payments 2000–01 to 2005–06

OTHER CONSULTANCY COSTS	TOTAL (£M)	BICESTER (£M)	OTHER SITES (£M)
- Directly attributable to Bicester	0.7	0.7 ¹	
- Apportioned	8.2	5.6 ²	2.6
- Other sites	1.4	0	1.4
TOTAL	10.3	6.33	4

Note 1: Includes £101,265 for planning

Note 2: Includes £613,266 for planning and some £4 million for professional works advisers including Core Project Team costs.

Source: Home Office data

9 For details, see Ev 16

10 Qq 19, 41, 46, 99–103, 121–129; C&AG's Report, Figure 11

8. Bicester accommodation centre was vulnerable to changes in the trends of people seeking asylum, to unplanned impacts from other policy changes elsewhere in the organisation and to operational improvements which reduced the need for the scheme. These risks were identified in the Gateway 3 Review in December 2003 but were not acted upon by the Department. The risks associated with undertaking an innovative project like Bicester at the same time as changes were being made to the existing application processing system had not been fully thought through. In addition, no account had been taken in the design brief of the need to “future proof” the accommodation by asking the consultants to consider possible alternative uses for it, should asylum numbers fall. The Department considered that had Bicester’s 750-bed facility been built, it would have been in use now to house asylum applicants. It acknowledged, however, that its thinking had evolved in the period since Bicester was first planned. The Department now favoured secure detention centres in preference to the open establishment planned for Bicester, where residents would have been free to come and go as they pleased.¹¹

9. The Department planned and granted the contract for the design, build and operation of Bicester without considering the need for an exit strategy. Whilst the contract with its main contractor, GSL, allowed both parties to walk away at no extra cost if the project did not obtain outline planning permission, this was insufficient to mitigate against the risk that the Department might terminate the contract after outline planning permission was obtained, but before building work could start. In part, this exposure and the Department’s failure to recognise and consider its impact on the cost and delivery of the Bicester facilities, reflected a lack of realism in the Department’s business case assumptions. It was also symptomatic of a wider failure to revisit the need for the Bicester facilities and to acknowledge the risk that detailed planning permission might be opposed by the local planning authority. This omission was to prove costly, and should have been foreseen, given that the Department employed several firms of consultants to advise it on planning issues.¹²

11 Qq 24–28

12 C&AG’s Report, para 28

2 Establishing effective communication with the local community and other interested parties

10. The Home Office did not engage with, or seek to gain the confidence of, the local community or its elected representatives at an early stage in its site selection or planning considerations. In part, this reflected the Department's view that the facility was necessary in the interests of the country to deal with the rise in the number of asylum applicants needing accommodation while their claims were being processed, and as an alternative to dispersing applicants around the country. Lobby groups, the local community and others voiced their concerns during the local planning inquiry, claiming that Bicester's rural location and its poor public transport links made it unsuitable.¹³

11. Previous Home Office experience in seeking planning approval for approved premises (formerly known as 'bail hostels') has been that local communities do not welcome controversial schemes, resulting in delay and increased costs. This had been the case, for example, with the Silverlands residential sex offender treatment centre, as well as with new probation and drug treatment hostels. A more prudent approach would have been to model a range of scenarios, based on discussion with the local community, to get a clearer appreciation of risk.¹⁴

12. The Home Office and its advisors were aware of the strength of feeling against the accommodation centre from national and local refugee groups and other interested parties. Their disquiet was clear from their representations during consideration of the legislation which provided for the pilot, but the Home Office did not reflect this in the business case. The Department acknowledged that it had not anticipated that the local council and the local community would appeal against the planning application beyond the decision of the Secretary of State for Local Government and the Regions. Appeals to the High Court and to the Court of Appeal added a further 15 months to the planning process, with the prospect of further local opposition to the request for detailed planning approval.¹⁵

13. The Home Office still owns the Bicester site and has yet to take a decision on its future use. Some 30 months after the cancellation, the Department is still interested in the site as a possible secure detention centre, which it considers to be the most successful element of its asylum policy. The Department told us that, in drawing up its long term strategy for detention centres, it has decided to build other centres before considering whether it needs to use the Bicester site. Having spent many years going through the planning process, local residents are concerned at the prospect of another delay before the Department's intentions for the site are finalised and made public.¹⁶

13 Qq 66–67, 107; C&AG's Report, Main Report, para 9

14 Q 65; C&AG's Report, Executive Summary, para 6

15 Qq 39, 41, 108, 141

16 Qq 20–21, 48–50, 146–148

Formal Minutes

Monday 12 May 2008

Members present:

Mr Edward Leigh, in the Chair

Mr David Curry

Mr Don Touhig

Dr John Pugh

Draft Report (*The cancellation of Bicester Accommodation Centre*), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 13 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

Resolved, That the Report be the Twenty-fifth Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Wednesday 14 May at 3.30 pm.]

Witnesses

Wednesday 30 January 2008

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Sir David Normington, Permanent Secretary, Home Office, and
Ms Lin Homer, Chief Executive, Border and Immigration Agency

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Second Report	Department of Health: Prescribing costs in primary care	HC 173 (Cm 7323)
Third Report	Building for the future: Sustainable construction and refurbishment on the government estate	HC 174 (Cm 7323)
Fourth Report	Environment Agency: Building and maintaining river and coastal flood defences in England	HC 175 (Cm 7323)
Fifth Report	Evasion of Vehicle Excise Duty	HC 227
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Twelfth Report	Coal Health Compensation Schemes	HC 305 (Cm 7364)
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Oral evidence

Taken before the Committee of Public Accounts on Wednesday 30 January 2008

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon
Nigel Griffiths
Mr Austin Mitchell

Geraldine Smith
Mr Don Touhig
Mr Alan Williams

Sir John Bourn KCB, Comptroller and Auditor General, **Mr Tim Burr**, Deputy Comptroller and Auditor General, and **Ms Aileen Murphie**, Director, National Audit Office, were in attendance and gave oral evidence.

Mr Marius Gallaher, Alternate Treasury Officer of Accounts, HM Treasury, was in attendance.

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL

THE CANCELLATION OF BICESTER ACCOMMODATION CENTRE (HC19)

Witnesses: **Sir David Normington**, Permanent Secretary, Home Office, and **Ms Lin Homer**, Chief Executive, Border and Immigration Agency, gave evidence.

Q1 Chairman: Good afternoon and welcome to the Committee of Public Accounts. Today we are looking at the Comptroller and Auditor General's report on *The Cancellation of Bicester Accommodation Centre*. We welcome back to our Committee Sir David Normington, who is Permanent Secretary at the Home Office. Perhaps you might introduce your colleague, Sir David?

Sir David Normington: Yes. I have Lin Homer with me, who is the Chief Executive of the Border and Immigration Agency.

Q2 Chairman: I welcome Tony Baldry, who has just arrived and is the constituency Member. We would not normally, Sir David, look at something that only affected one constituency, but I think that Sir John decided to look at this because it has wider implications. What I want to ask you about is why did you ever think, Sir David, that this project could provide value for money? If you read the report—and, if colleagues are interested, the particular references are in paragraphs 17 to 18 and 25 to 32—the benefits never outweighed the costs, did they, at any stage? The costs went up and down but never at any stage, looking at the cost-benefit analysis, did the benefits ever outweigh the costs; so why did you proceed with it?

Sir David Normington: It is true—it is on the face of the report and it is in the facts—that the nearest the quantifiable benefits got were within about £4 million a year over a ten-year period, just under £40 million in the business case; so the quantifiable case was a negative business case. However, it is often the case, particularly with innovative projects like this—and it was a bold project—that you have to look at the unquantifiable benefits. In most business cases of this sort, when you do not actually have anything to go on, you have a number of unquantifiable benefits to weigh in the balance. Those who were taking the

decision weighed both of those things. The unquantifiable benefits were particularly about the impact on communities of not having asylum seekers dispersed into those communities but having them in one place in a centre. There was a lot of debate through this period about what those savings and benefits might be.

Q3 Chairman: So was the real reason just to have them in one place? Get them off the streets? That was the real reason, was it?

Sir David Normington: I do not think so. If you look at the report, it actually says that it thinks the benefits might be in the speed with which people can be processed; the efficiency of that processing; the likely deterrent effect of people being in one place and having a much more efficient system for processing people, because you knew where they were; plus the benefits of taking people out of communities where they would be a potential cost on education, on health and on other services.

Q4 Chairman: But we read in paragraph 24—and you might like to look at it, on page 15—“We found that the business case did not state the actual cost of asylum applications under existing arrangements, nor did it explain how the potential efficiencies would be derived”. Surely this should have been taken into account, should it not?

Sir David Normington: I have gone back over a lot of these papers and this is absolutely true. At the time, and it is quite a long time ago, there was a belief that it was not possible to cost accurately enough how much it cost to handle an asylum applicant. Therefore, the business case was based on a broader set of estimates about the benefits, like an estimate of what the impact would be on the overall budget of dealing with people quickly; not having to house them for so long; being able to get them out of the

country more quickly. However, it was not done against a baseline of: "This is the cost of handling an individual asylum applicant".

Q5 Chairman: Where did this idea come from?

Sir David Normington: I know that I am not allowed to say this, but I was not there. Reading back over the history, however, in 2001 the asylum system was under enormous pressure. The numbers of people applying for asylum with their dependants were touching 100,000. A new Home Secretary sat down with his officials and was looking for ways of releasing the pressures of that growing problem. There were models for this kind of centre in other countries.

Q6 Chairman: Well, hang on! I have just been briefed by the National Audit Office. What models? Where? We had difficulty in finding them. Apparently there is one in the Australian desert somewhere, which does not sound very pleasant. Tell us about the other models.

Sir David Normington: I have not been to see them but I believe that, certainly during the course of the policy development, a team of people went to three countries.

Q7 Chairman: Where? What countries?

Sir David Normington: Belgium, Sweden and Denmark. They looked at what I believe are—but I am afraid I am not an expert in this—

Q8 Chairman: Can you help us, Ms Homer?

Ms Homer: The Permanent Secretary is correct, Chairman. The people putting these proposals together did work with European colleagues, and there are models in those three countries that were mentioned where similar accommodation was being used. I am not suggesting that it was a direct copy, but certainly elements of that European learning was built in.

Q9 Chairman: "Elements." There is no direct copy of this anywhere, is there, to be honest?

Ms Homer: I think that it was fairly similar in some of its circumstances.

Q10 Chairman: Was the real reason, Sir David, that, politically, something had to be done? This was a way of convincing the public that the Government took the problem of asylum seekers seriously? There is nothing wrong with a minister saying: "Something must be done. There is real public concern" but, unfortunately, the costs always outweigh the benefits.

Sir David Normington: There was quite a serious crisis in 2000 and 2001 and, in that sense, there had to be an urgent response to it. This was not the only thing that was done. There was a White Paper at that time which set out the whole approach, of which this was one item. Of course, what happened after this—as we will no doubt get on to—was that the number of asylum seekers fell quite dramatically. This was the bit of the whole White Paper which did not work; but there was a very serious attempt from that

moment to try to get a grip on the problem. I think that was indeed a legitimate thing to do at the time, because it was a matter of major concern, politically and publicly.

Q11 Chairman: I said earlier that there were matters of general application. There are two thoughts that occur to me, Sir David. It seems incredible that the Home Office thought that it could go ahead without getting the confidence of local people, and this was a major stumbling block. Presumably, early on people thought: "Local people are bound to be against it; the district authority is going to say no; but we can overcome an appeal". However, nobody seemed to work out that all this would take much longer than you thought—first stumbling block. Second stumbling block: nobody seemed to keep in touch with evolving thought that undermined the whole process—evolving thought within your own department—that you were actually changing the way that you were processing applications. The people who were pushing ahead with this scheme, which ultimately cost us, the taxpayers, £30 million for nothing, because it never happened, took account neither of local opinion nor of evolving thought within their own department. That is fairly devastating, is it not?

Sir David Normington: It is undoubtedly the case that the planning application and the appeals against it took much longer than people thought, partly because of the determination of the local council and the local people, who took the appeal beyond the decision of the Secretary of State.

Q12 Chairman: Which was surely foreseeable?

Sir David Normington: Having looked at the papers, it was foreseen that this would probably go to the Secretary of State for decision after a planning inspector had looked at it, but I do not think it was estimated that there would be a further 15 months when it was appealed, first to the High Court and then to the Court of Appeal. Secondly, I accept, and I think that we have tried to learn this lesson since, that this was—and the report says it—a changing scene. A lot was happening. Other parts of the policy announced in 2002 were being quite successful and asylum applications were coming down very sharply. I guess that we will come to this, but in 2004 the whole case was looked at again and a decision was taken at that point nevertheless to proceed—even though it was two years on, and nearly three from—

Q13 Chairman: And also, if we look at paragraph 12, we find that your own Gateway 2 Review in July 2003 identified ways of reducing the need for accommodation centres. That was 11 months before the contract was signed. These ideas in your own Gateway 2 Review were ignored. There was not any kind of joined-up thought across your own department.

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Sir David Normington: I believe that both of those reviews and the one in December 2003, which is the really serious one in my view, were taken very seriously. The one in December 2003 did lead to a complete reappraisal of the project.

Q14 Chairman: Eleven months later, after this Gateway Review in July 2003, the contract was signed. Basically, it was ignored, was it not?

Sir David Normington: It was not ignored, because I have looked at—

Q15 Chairman: The contract was still signed.

Sir David Normington: Indeed it was, but neither of the Gateway Reviews said that the contract should not be signed; what it said was: “You need to go back and look at the case again”. Between the end of 2003 and the spring of 2004 that full reappraisal was done. A submission from that reappraisal went to the Accounting Officer and also to the Home Secretary, and both decided that we should go ahead and sign the contract.

Q16 Chairman: The problem was that there was a major review of policy going on, was there not? We see this in paragraph 3 and we see it in paragraph 29. That is quite clear. You accept that. This was evolving policy.

Sir David Normington: Policy was evolving over this period, yes.

Q17 Chairman: One has to ask was it wise, whilst policy was evolving, to trial this centre?

Sir David Normington: Of course, I have asked—we have both asked ourselves that question. From 2008 it is quite difficult to put ourselves in the place of the people who, in charge of all the facts, decided to go ahead with it in 2004. We probably ourselves would not take that decision with hindsight, but hindsight is a wonderful thing. I think that in May 2004 it was a critical decision. All the facts were laid out for both the senior management of the Home Office, the Accounting Officer and the Home Secretary, and they decided to go ahead.

Q18 Chairman: We know from Figure 11 that the total cost is £30 million—down the drain, basically, for nothing—with a staggering £7 million on consultancy fees. What do you say to that? For Bicester alone.

Sir David Normington: I think that it is more than seven, actually.

Q19 Chairman: Is it? I thought it said “Consultancy” at the top there. I do apologise. I am understating my case.

Sir David Normington: I should not be saying that either! I think that the costs of consultancy are very high. It is undoubtedly the case, though, that in a project like this you have to have professional advisers. There is no way the Home Office, or indeed any organisation, would have embarked on a project like this without professional advisers. That includes architects, cost consultants, people who advised on traffic and transport, land agents who looked for the

sites, and so on. We could never employ those people. We would always have to employ professional advisers to do that, and that is where the costs came from. They do look high.

Q20 Chairman: By the way, lastly, you still do not know what you are going to do with the land, do you? We see that in paragraph 40. We have been talking about the past up to now. It says: “The Home Office is considering whether the land could be used as a detention centre”; so it is still sitting there, is it not? You still have not decided what to do with it.

Sir David Normington: It is still sitting there. We are still interested in it as a possible detention centre, but we have not taken that decision, no.

Q21 Chairman: It is a long time to make up your mind.

Sir David Normington: It is a long time. We have decided, though, to build a number of detention centres before we consider whether to use Bicester. We are going through a process within the department now with ministers to decide what our long-term strategy should be for detention centres, which are, in my view, the most successful bit of our asylum policy. We will then in due course take a decision about Bicester. I am very sorry about it—it is obviously a very long time—

Q22 Chairman: You are very good at saying “sorry”, Sir David.

Sir David Normington: It is better to say “sorry”—

Chairman: I know. You are very good at it. We have had you here many times before. There is nothing wrong with saying “sorry”.

Q23 Nigel Griffiths: I would like to go into a bit of the background when you were looking at options. How long was this facility envisaged to last?

Sir David Normington: The business case was over ten years. In my mind, I think it was assumed that it might last 50 years; but the business case was over ten.

Q24 Nigel Griffiths: Would it have been suitable for anything else?

Sir David Normington: I think that it could have been converted into a detention and removal centre, but to do that you would have had to make it more secure. It was being built as an open accommodation from which people could come and go—which was one of the most controversial things locally, as you can imagine, because local people were very worried about the impact on the local area.

Q25 Nigel Griffiths: Is there any evidence that, when it was planned, if the whole asylum issue changed dramatically over the course of the ten years, it had an alternative use? Was that part of the brief to the consultants?

Sir David Normington: As far as I know, it was not the brief to the consultants because I think it was assumed all through this that the asylum problem was not going to go away.

Q26 Nigel Griffiths: Looking at it now and planning now, are you asking anyone drafting such plans to look at such a dramatic change that might mean that we were spending a lot of money on buildings which did not have alternative uses? Of course, that may not be practical.

Sir David Normington: I think we have learnt the lesson that you should try, over a long period, to estimate what the policy consequences or changes might be, and actually try to build into the way you design buildings like this what alternative uses might be. That is the kind of work that is going on now, but I do not think that was done at the time.

Q27 Nigel Griffiths: If there had not been a planning delay and it had been a third built, what would have been the consequences?

Sir David Normington: If it had been built?

Q28 Nigel Griffiths: A third built. If the work had been well underway.

Sir David Normington: If it had been built, we would be using it for its purpose. There are enough asylum applicants still in the country to envisage having a 750-bed facility, which this was, where we can keep people, where we know where they are, and process them as quickly as possible; so you could still have used it. The thing was, though, it was supposed to be the first step of ten such centres. The question now, with hindsight, is whether we could possibly have made it ten centres, but we would have used it. We could have used it and I could envisage us doing so. Having said that, what we now know is that secure centres are a great deal more useful than ones that people can come and go from.

Q29 Nigel Griffiths: Which would give you more dual use in the future?

Sir David Normington: Yes.

Q30 Nigel Griffiths: The costs are set at some £70,000—£70,720 on page 24—per bed space. That is a lot more than you could build a modern and very high-quality house for, is it not?

Sir David Normington: It is but, as you can see, the comparisons were made with the costs of various types of prison accommodation. I think that is on page 25. The costs were broadly comparable. I think that one of the reasons why this was costly was because the intention was—and you can see it from the photograph on the front page—to have education facilities, health facilities, sports facilities and so on, so that it was a self-contained site.

Q31 Nigel Griffiths: Those are built into the bed space costs, are they?

Sir David Normington: Yes.

Q32 Nigel Griffiths: If you strip them out, do you know what the cost is of the accommodation?

Sir David Normington: I am afraid I do not know that, no.

Q33 Nigel Griffiths: In terms of your previous answer regarding your consideration of its future use, have you had a dialogue with the local Member of Parliament about the most suitable future use?

Sir David Normington: As far as I know, we have not had that conversation.

Chairman: He is here now, so have a dialogue now if you want!

Q34 Nigel Griffiths: Presumably we own the land, do we?

Sir David Normington: We own the land, and in fact it is showing on our books, I think, at £4.6 million.

Q35 Nigel Griffiths: When RAF Newton was under consideration, with hindsight, was that not a more attractive, less controversial site?

Sir David Normington: We did not get planning permission for that, on the grounds that it was an unsuitable use for a rural site. That too went to the Secretary of State, and in that case the Secretary of State ruled against the Home Office.

Q36 Nigel Griffiths: How many acres is this on?

Sir David Normington: I am afraid I do not know that.¹ RAF Newton, do you mean? I am afraid I do not know. It was thought to be an unsuitable site in that kind of rural area. This was a brownfield site.

Q37 Nigel Griffiths: What about urban brownfield sites? It looks about 50 hectares to me—something like that.

Sir David Normington: I understand that the possibilities of applying for planning permission on something like 40 sites round the country were looked at. I do not have all the details of those, but we could easily provide them. We tried to find land which was land we had a good chance of purchasing, and obviously quite a bit of this was redundant MoD land.

Q38 Chairman: You did mention the local Member of Parliament. He has passed me a note and I do not know why I should not put it to you. Why should I not put it to you, as he knows more about it than anybody else? He says—from the local Member of Parliament—“Despite the Home Office spending £30 million, not a blade of grass was disturbed, not a single brick laid. What has the Home Office learned about contracting procedures, because Global Solutions”—that is the company—“walked away with a large amount of money for doing nothing?”

Sir David Normington: It is a fact that a substantial amount of money was spent and all that there is to show for it is a semi-derelict site, which the local MP will know a lot better than I do. Of course that was not the intention of those who acquired the land.

Q39 Chairman: What have you learned about contracting procedures in the future, so that companies are not walking away in the future with large amounts of our money for doing absolutely nothing?

¹ Ev 14

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Sir David Normington: The reason that GSL walked away with some money was because, of course, a decision was taken to go ahead with the project and to sign the contract. That was done in the summer of 2004. Once the contract was signed, there would be cancellation costs. It is there on the record that two lots of costs were then incurred. One was the cost of the work that GSL had done and the other was the cancellation costs of the project. The critical decision was the one to go ahead. Of course everybody locally was opposed to it but, within the Home Office, including the Home Secretary, it was decided to go ahead. Planning permission was eventually obtained—outline planning permission—although at the point of withdrawing I think that we were about to run into opposition to the specific plans as well. It may have been that there would therefore have been a further delay. There are a lot of lessons here about how you draw up business cases, what happens if it is a very prolonged process, and how you should not only look again at your costs and your benefits but also at what the policy environment is in which you took the original decision and you now need to take one three years on—where it is quite clear that, as you said earlier, the position has moved on.

Q40 Geraldine Smith: I note the figure is £30 million for absolutely nothing, which happens to be the same amount of money that it would have cost to implement the police pay increase this year; but, of course, that was too huge a sum for the Government to do. We are therefore talking about serious amounts of money here. I find it incredible. We were talking about hostel-type accommodation for around 750 asylum seekers—and you did not anticipate the degree of opposition? What planet do you live on?

Sir David Normington: Those who were looking at this—you can see it on the face of the papers, which I have looked back at—did anticipate that there would be opposition locally and did envisage that there would be opposition during the whole planning process, leading to a public inquiry. They did not envisage that it would then be appealed from the Secretary of State to the High Court and then to the Court of Appeal. That is what greatly—doubled—the time that the consideration took. They did anticipate the first half of it but not the second half.

Q41 Geraldine Smith: Had it been turned down, as the planning inspector wanted to do, that would have been the end of it. Did they not anticipate that it would have been turned down by a planning inspector? You were employing consultants, spending £10 million on consultants including planning consultants. Do you not think that you should get your money back from those planning consultants, if they did not realise that it would be turned down by an inspector?

Sir David Normington: But we got planning permission for this site.

Q42 Geraldine Smith: Yes, only because the Secretary of State overruled the planning inspector—which is quite unusual.

Sir David Normington: Yes, but that is not my decision. I have no influence over what the then Deputy Prime Minister decided to do. He took that decision.

Q43 Geraldine Smith: I guess they were in a very difficult situation.

Sir David Normington: He is entitled, in law, to take the judgment on the basis of the case before him. He turned down one and he accepted the other. Our advisers advised—as it turned out, rightly—that we had the best chance of succeeding here, because it was a brownfield site. I want to say one other thing, if I may. The £30 million that we spent was spent between 2001 and 2005. It is a long time ago. I think it really will not do to—

Q44 Geraldine Smith: It is still £30 million. I think most taxpayers would think it was still their money that was being wasted.

Sir David Normington: I was simply taking your point about the police. That money is not available to spend on the police now. That is 2001.

Q45 Geraldine Smith: I am well aware of that.

Sir David Normington: Yes, but you made the point and I just wanted to make sure that nobody here thought that that money would have been available to spend on the police.

Q46 Geraldine Smith: I think that what we are here for is to make sure you do not waste another £30 million this year or next year on something else. You ploughed ahead with this project, even though asylum applications were halving between 2002 and 2003. Did these consultants not notice, or these people who were being paid an absolute fortune, that things were changing?

Sir David Normington: Yes—which was a success, of course. The number of asylum applications were coming down, first by 50% and then by 75%. The judgment was taken—and I can only report to you how it was—that, even against the background of the number of asylum claims in 2004, we should go ahead, because the asylum claims were still running at a high level and it was still worth trying out a different way of accommodating asylum seekers. As all Members will know, the accommodation of asylum seekers is a big and controversial problem, and this was thought to be a novel and different way of doing it, rather than dispersing them round the country. I do not believe that I should say that the people who took that judgment at that point were wrong to judge that that should be tried. That is what they were doing.

Q47 Geraldine Smith: Looking at other sites, how much did you spend on consultants looking at those sites?

Sir David Normington: In the report the costs are attributed, because it is not able to do it absolutely precisely. It is about £28 million on Bicester and the

rest, up to £33 million—£4½ million, nearly £5 million, I think I am right in saying—about £4 million on the rest. That is a rough-and-ready attribution, because at the beginning there was a search for sites and we are not really able to attribute those costs. It was to the whole programme, really. We made a two-thirds, one-third apportionment.

Q48 Geraldine Smith: Can I ask what is going to happen? There are obviously people living there who are extremely concerned. They have spent many years going through the planning process, the sword of Damocles of the detention centre hanging over their head. What is the future for them? When are you going to make it clear to them what your intentions are?

Sir David Normington: I hope it will not be too long before we are able to do that, but I will not take this decision—

Q49 Geraldine Smith: How long?

Sir David Normington: I cannot say that to you.

Q50 Geraldine Smith: A year? Two years? Five years?

Sir David Normington: No, I cannot say that to you. Ministers will take this decision and they will take it as soon as they can, on the basis of the best possible advice.

Q51 Chairman: Ms Smith mentioned other sites. Hemswell Cliff was another site. Did you bother to consult the local Member of Parliament?

Sir David Normington: I am afraid I do not know. I do know—

Q52 Chairman: Hemswell Cliff in Lincolnshire.

Sir David Normington: I do know about it.

Q53 Chairman: I happen to be the Member of Parliament. You considered it and then it was also withdrawn. I do not recall any consultation going on with me.

Sir David Normington: I do know about Hemswell Cliff, of course. I have been briefed about that.

Q54 Chairman: How much did you waste on that?

Sir David Normington: It was dropped very early in the process because it was not suitable. That was my advice.

Q55 Chairman: Why not suitable?

Sir David Normington: It was too small. It was thought not to be suitable.

Q56 Chairman: It would have been nice to consult the local Member of Parliament, would it not?

Sir David Normington: I do not know. Obviously you know better than I do.

Q57 Chairman: It is the normal way of proceeding. Good manners, is it not?

Sir David Normington: It is always better to consult and inform the local Member.

Q58 Mr Mitchell: You said that it is difficult to put yourself in the position of the people who were making the decision in 2002 or whenever it was. I think it is dead easy. All you have to do is run round in circles, like Corporal Jones in “Dad’s Army”, shouting “Don’t panic, don’t panic, don’t panic!”. It is clear that there was a panic. The whole department was in a state of panic, was it not? A fear of being overwhelmed by asylum seekers—or “swamped” as Mrs Thatcher might put it. You had to do something with them and this was one solution.

Sir David Normington: I do not know whether I would have said the word “panic” and so on, but it was certainly the case that this was a very serious problem indeed at that time. It is true that something needed to be done, and several things were done at that time.

Q59 Mr Mitchell: Yes, you were casting round for alternatives, were you not?

Sir David Normington: There was a White Paper which set out a very comprehensive policy to deal with how we received people, how we accommodated them, how we detained them and how we removed them. Three-quarters of that policy worked, because the number of asylum seekers then began to come down.

Q60 Mr Mitchell: I just wonder where the pressures came from. I assume that ministers were saying: “Find a solution. Do something”, and that therefore officials were casting round, to find something to do.

Sir David Normington: Knowing the ministers at the time very well, I think that is very likely: that they were demanding that and they were also contributing to what was no doubt a very active policy debate. This would be, I guess, just after the 2001 election.

Q61 Mr Mitchell: Presumably you were meeting opposition to the dispersal policy. I remember going to see the minister at the time, because there was a proposal to put asylum seekers in a disused hospital in Grimsby, which was most unsuitable, as I thought. Presumably this was therefore part of a casting-round process which was going on all over the country.

Sir David Normington: Yes, there was huge pressure on where we were going to accommodate asylum seekers. I remember this very well because, in my previous job in education, I worked with David Blunkett, who of course then became Home Secretary. We were very, very concerned about the pressures in some places on the weakest schools and the weakest communities. We talked a lot about that and to the Home Office about it; so this concern was going on in other departments as well.

Q62 Mr Mitchell: That feeling for areas of weakness did not stop people being dumped in Grimsby and the dispersal policy sending them in large numbers to Hull, did it?

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Sir David Normington: Forgive me, but they have to be dispersed somewhere. This was an attempt to try to find an alternative to that. I know that the Home Secretary of the day was very interested in whether it was possible to put people in centres like this, so that we did not have to disperse as many people to other parts of the country.

Q63 Mr Mitchell: Instead of sending them to Grimsby, a nice urban environment, you were going to dump them in a field somewhere near Banbury. Was that because the field happened to be available? This was MoD property presumably, which was easily available.

Sir David Normington: I guess to some extent it was, in the sense that we were looking for suitable sites at that time and this was thought to be one of the more suitable. Obviously it would have been better if we were not in this position at all.

Q64 Mr Mitchell: Was any thought given to the fact that it would be against all planning use and against the Government's sustainable development policies?

Sir David Normington: The advice was and the judgment was taken that, since this was a brownfield site, it could be used for development even though it was in the green belt.

Q65 Mr Mitchell: Effectively, you were assuming that you could just steamroller over local opposition, were you not? I presume that the assumption was: "There will be opposition anywhere; everybody will say 'not in my backyard'—so put it here, where it's easy".

Sir David Normington: I know from the short time for which I was responsible for prisons, for sex offender institutions, for bail hostels and so on, that nobody wants this kind of accommodation near them. There are very few councils and very few local communities that want this kind of thing near them; so to some extent we are up against local opposition almost wherever we go.

Q66 Mr Mitchell: Yes, and so the assumption is that: "It is necessary for official purposes, for government purposes. Anybody will oppose it, and therefore we are justified in steamrolling it through". That is the assumption.

Sir David Normington: No. It is necessary in the interests of the country to deal with the thousands and thousands of people who are coming here illegally, and this was the way we were trying to do it.

Q67 Mr Mitchell: Admittedly the costs were lower than building a prison place, and that was brought out in the tables in the report, but I cannot see what the imperative was to go ahead with it in 2004. Why was it still decided to go ahead with it, when the opposition had emerged and you were embroiled in a protracted row; when all the difficulties had become clear; when it had been shown as "red" in the Gateway Review—and you still signed the contract? Why?

Sir David Normington: It is easy to say this with hindsight. We might not have done it in retrospect, but it was done. It was done by people who looked again at the whole case and believed this was an important thing to try out, as an alternative to the problems we had with dispersing people round the country. It was believed that it was a really important new way of trying to accommodate asylum seekers. As I say, they have to be accommodated somewhere.

Q68 Mr Mitchell: Yes, but you still did not have detailed planning permission.

Sir David Normington: That is true. The contract was signed in July, before the result of the appeal had been decided. That was done for two reasons, I understand. One was because the period for freezing the price on the tenders was running out, and the advice was that, if we allowed it to run out, the cost of these contracts would go up very sharply.

Q69 Mr Mitchell: So you preferred to take the risk of a big pay-out to the contractor if it did not go ahead at all?

Sir David Normington: I guess that there was a balance being made. It was assumed when they signed, of course, that we were going to go ahead, not that we were going to cancel the project; so attention was on whether the cost of the overall project was going up.

Q70 Mr Mitchell: Why was it still assumed that it was going to go ahead, because the immediate pressure, the crisis, the "swamping", was abating—certainly by 2004?

Sir David Normington: It was. It was still believed that, with asylum claims running at 40,000 a year, there was still a serious problem.

Q71 Mr Mitchell: And you assumed that it was more convenient for the Home Office to pop them in a field somewhere—somewhere a little bit out of sight, out of mind—rather than drag them screaming from houses in dawn raids to send them back home again?

Sir David Normington: It is not convenient to have them here at all, really, and while they are here—

Q72 Mr Mitchell: Yes, but you said that it was still preferable to put them in these accommodation centres, and that is as an alternative to dispersal. Dispersal leads to people being dragged from their beds, kids crying, the neighbours upset, with dawn raids all over the country.

Sir David Normington: In fact those are quite rare instances.

Q73 Mr Mitchell: It is absolutely fair, and what has happened in Grimsby.

Sir David Normington: They do happen but we try not to make it like that, particularly when children are involved. What we were trying to get to was a situation where we knew where people were, because they were on a single site.

Q74 Mr Mitchell: I have one final question, which is slightly off the beam. Asylum seekers are still coming in. I read in the *Daily Mail* last week—so it must be true—that the French have decided that your officers, in Calais presumably, cannot detect asylum seekers by X-raying vehicles unless they have the written permission of the people inside the vehicle who are being X-rayed. Is that correct?

Ms Homer: No, it is not correct. There is a misunderstanding by the *Daily Mail* about the technology that is used. I will do my best to explain it to them, but the searching that we do at Calais does not contravene any of the rules of the French. They have not stopped it. We have regular meetings with them. Indeed, I met them on Monday of this week and we have just agreed to install a further three machines at Calais to do some further searching; so, on the contrary: we are increasing the searching.

Q75 Mr Touhig: Sir David, do you hold a driving licence?

Sir David Normington: I do.

Q76 Mr Touhig: You have passed your driving test and you study the *Highway Code*.

Sir David Normington: Yes.

Q77 Mr Touhig: So you know that when you drive through a red light you are likely to have an accident?

Sir David Normington: Yes.

Q78 Mr Touhig: Perhaps it is a shame that you were not in the driving seat in December 2003, when the Gateway 3 Review said that this project was classified as “red”.

Sir David Normington: A “red” review is a warning; it is not a “Don’t proceed”. It is “Make sure that you have a proper case for proceeding”.

Q79 Mr Touhig: The “red” review status, the actual words, says “To achieve success, the project should take remedial action immediately”—but it did not.

Sir David Normington: It did, actually. I have spent the last few days going back over what happened from that “red” review, because it is a very critical moment. I have looked at the work that was done to revisit the business case. I have looked at the minutes of the meetings that were held to consider that business case. I have looked at the benefits case that was drawn up, and I have looked at the submission that went to the Home Secretary and the Accounting Officer, recommending that the project should go ahead. I believe that in that process they were trying to do what the “red” Gateway Review had said. They then took a decision to go ahead and they took it, I guess, because they were people who were looking at all the evidence and the facts. They had it all before them; they took the decision to go ahead.

Q80 Mr Touhig: £28 million, you will agree, Sir David, is a lot of taxpayers’ money to waste on a project that never got off the ground. It is waste.

Sir David Normington: Yes.

Q81 Mr Touhig: Why did the department commit itself to this project and sign the contract before the outcome of a judicial review was known? It signed the contract before you had detailed planning consent and it signed the contract despite the fact of having a “red” signal in the Gateway 3 Review.

Sir David Normington: Because, first of all, the case that was before those who took the decision pointed them to the view that it was still worth going ahead. Secondly, if the contract had not been signed in July, the cost of the whole project would increase. Thirdly, because they believed—rightly, as it turned out—that the appeals, which were appeals by the local council, would be turned down.

Q82 Mr Touhig: With all those warnings, Sir David, surely no one in their right mind would have signed this contract?

Sir David Normington: Well, they did.

Q83 Mr Touhig: They certainly did, yes. Not only was the accommodation centre a big financial risk, but clearly it was increasingly unnecessary by the time the Home Office signed the contract in the first place. Why did the department not respond to the reality that UK applications for asylum had halved?

Sir David Normington: They had halved but they were still very high. This was 750 places and it was thought that that was still necessary.

Q84 Mr Touhig: So no planning consent, a judicial review, a “red” warning, applications for asylum had halved, and still the department felt it should go ahead. It is like a tanker you cannot stop.

Sir David Normington: It was eventually stopped, of course. I have explained why, in good faith, those decisions were taken at the time. They were taken in good faith, on the evidence before people.

Q85 Mr Touhig: The contract was signed and, in September 2003, it was known that the previous year there had been a dramatic fall in the number of asylum seekers coming to the United Kingdom. Despite all these warnings, why did the department not reassess the need for this project? It is clearly something you just cannot stop.

Sir David Normington: It was not stopped, of course. If you look at the chart on page 9 you will see that, over the period from 1987, asylum claims are going up and down. I do not think they believed in 2004 that it was certain that asylum claims would continue to go down as they have. We can never be sure of that. Indeed, that period, 1999 to 2002, was very much in people’s minds. It was only 18 months off. There was a fear that, if you did not do something like this and asylum claims went back up, people would say, “Why haven’t you done something like this? Why haven’t you got accommodation?”.

Q86 Mr Touhig: There was a fear of criticism that nothing was being done; so it is belt and braces. “We’re going to spend this money despite the fact we

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haven't got planning consent; despite the fact there is a judicial review; despite the fact that Gateway 3 had a 'red' light warning." It was going to go ahead because we had to be seen to be doing something. The fact that it has cost the taxpayer £28 million in waste and all we have is a field full of grass—that is immaterial, is it?

Sir David Normington: No, of course it is not immaterial. I have already admitted that that money has been spent and there is nothing to show for it except a derelict site. I just repeat: it is easy with hindsight to think that the decision was wrong. At the time, on the basis of the evidence they had in front of them, people, including my predecessor and the Home Secretary, believed it was right to go ahead.

Q87 Mr Touhig: Sir David, the most perfect view is the one looking back, and we are doing that now. It is "what if" and "if only"—I accept that—in all the things we do in life, and so on. However, your department had so many warnings not to proceed with this project, and yet it seems to me it was a project that the department just could not stop. They had to be seen to be doing something. I do not know how many you were planning. You did give us a figure earlier on. Was it 20 you were planning, or ten?

Sir David Normington: Ten.

Q88 Mr Touhig: It was ten you were planning across the country. It seems to me that it was something you just could not stop, despite the fact that this was running away with you.

Sir David Normington: It was thought that it was a necessary element of the policy. If you always take the view that you should not proceed with something—and this was quite a risky project, was it not? There is no doubt about it. Sometimes, though, if you do not try a different approach you never break out of the problems that Mr Mitchell was talking about.

Q89 Mr Touhig: We have managed without it. It does not exist but we have managed the asylum issue without it, have we not?

Sir David Normington: Yes, but we still have problems of settling asylum seekers in different parts of the country. There are many fewer and that is why the pressures are slightly less; but the problem is still there of where to accommodate asylum seekers.

Q90 Mr Touhig: One of the worrying things about the report, of course, is the fairly wide fluctuation of the department's cost estimates for this project, varying between £39 million and £51 million. You are not very good at estimating the cost of these projects, are you?

Sir David Normington: The costs went relentlessly up and you can see that. That, I think, was a function partly of the length of time it took but also that the specification changed. You can see at one point that a large centre for hearing appeals against decisions to remove was added to the project, and that added quite a lot of cost.

Q91 Mr Touhig: You looked at other sites and your department is unable to identify separate amounts spent on these potential sites.

Sir David Normington: One site reached a decision by the Secretary of State to refuse planning permission. I think that no other site got anywhere near that. A lot of the money that was spent overall, therefore, was spent on the identification of sites and then the winnowing of them down to a small number: from 80 to 65 to 40.

Q92 Mr Touhig: But you cannot identify the amount you spent on these sites.

Sir David Normington: £3.9 million has been attributed in the report to those sites.

Q93 Mr Touhig: You can identify the amount separately? I did not understand that. Perhaps the NAO can clarify that. I thought that you could not identify.

Sir David Normington: It was an apportionment that we made.

Ms Murphie: Yes, we made an apportionment of costs—

Q94 Mr Touhig: It is an apportionment; so it not the actual cost.

Ms Murphie: It is the amount of money that went on the research of development of sites for the whole programme, not just the pilot sites. We identified what we could identify for Bicester and the rest of it was assumed to be the rest.

Q95 Mr Touhig: Lick a finger and put a finger in the air, really?

Ms Murphie: It was more exact than that.

Q96 Mr Touhig: A bit more exact than that?

Ms Murphie: Yes.

Q97 Mr Touhig: How much more exact than that?

Ms Murphie: A bit more.

Q98 Mr Touhig: A bit more. Two fingers then?

Ms Murphie: Yes!

Q99 Mr Touhig: I am certainly glad, Sir David, that Mrs Touhig looks after the Touhig family finances and nobody in the Home Office. I think that I would be in trouble, budgeting on that basis! What concerns a number of us around the table today, though, is the £10 million spent upon consultants. A large amount of money, was it not?

Sir David Normington: It was.

Q100 Mr Touhig: And for very little.

Sir David Normington: £6 million was spent on project management, which included architects and cost consultants. A million was spent on planning consultants, including advisers on landscape. £450,000 was spent on traffic and transport consultants.

Q101 Mr Touhig: You have a lot of landscape, have you not? Greenfield.

Sir David Normington: It was brownfield. The traffic and transport consultants because the transport and traffic was a big issue, and then some other, smaller amounts; but those were big amounts. As I have said to the Chairman, I think it is necessary if you are embarking on a project of this size to have professional advisers.

Q102 Mr Touhig: I wrote down what you said to the Chairman. No way would you have embarked on a project like this without professional advisers—the advice of experts.

Sir David Normington: You cannot purchase and build a site like this and contract with people without having experts on your side.

Q103 Mr Touhig: Can I share a little bit of advice I was given many years ago by a friend called Ray Owen, who is now dead? He said: “Beware of experts. Experts built the *Titanic*. Ordinary folk like you and me, we built the Ark”. It may be, Sir David, that, with every submission for a major project to ministers, you should put that on page 1.

Sir David Normington: I think that it is very wise advice.

Q104 Chairman: You did not need to go to experts, because there were local people. Again, could I put another couple of questions from the Member of Parliament who has been talking to local people? You said just now that one of the advantages of this concept was that we would know where they, the asylum seekers, were, because they would be on a single site. However, as the Member of Parliament says: “What was crazy about this scheme was that there was absolutely nothing to stop asylum seekers walking out the camp, going to Bicester railway station and getting on a train”. What sort of policy was that, Sir David?

Sir David Normington: I do not think that we are able to detain people in these circumstances. That is what they can do at the moment if we disperse them to Grimsby or to somewhere else.

Q105 Chairman: There is no difference—except, as Mr Mitchell said, “out of sight, out of mind” on a field outside Banbury.

Sir David Normington: No, the proposition was that they would be under curfew and—

Q106 Chairman: Under curfew?

Sir David Normington: . . . they would be processed much more quickly, on site, with the aim of getting them through the process.

Q107 Chairman: During this curfew, nothing to stop them going to the local railway station?

Sir David Normington: Except that the transport was rather poor—but, yes.

Q108 Chairman: That is all right then! He has put another point, which I think is a good point. He says to me: “Every single organisation concerned with the welfare of refugees—from the Law Society, the BMA, the Immigration Advisory Service, some ten

or 12 national organisations—signed a joint statement saying that this proposal was a crazy idea and would not wash”. He asks you, Sir David, “In devising asylum policy in the future, what notice will be given to such organisations concerned with the welfare of refugees?”.

Sir David Normington: We always take advice from a whole range of people. I have to say, and I am not going to duck this, this was a decision about a policy taken by ministers, and therefore I am right at the limits of my ability to comment on this. This was a policy announced in the White Paper to Parliament by the Home Secretary of the day, and it certainly attracted a lot of controversy. The way in which we deal with asylum seekers is a very controversial issue, and all the people you mention are constant interlocutors of ours on this subject.

Ms Homer: I think that the Refugee Council were involved in many of the discussions, and indeed came up with some variant propositions. We would always seek to take advice from those lobby groups as we develop policy.

Chairman: Your last questioner is Mr Bacon.

Q109 Mr Bacon: To what extent, if at all, did the Accounting Officer brief ministers on the consequences of the negative net present value of the project?

Sir David Normington: I am afraid I just do not know that. I have no evidence either way. Until May 2004, when the submission, which was “Shall we go ahead now or not?”—which was a very full submission and went first to the Accounting Officer and then to the Home Secretary—I assume, but I am afraid I do not have the evidence of it, that there was then a discussion between them about it.²

Q110 Mr Bacon: Can you find out more?

Sir David Normington: I could try. I could ask.

Q111 Mr Bacon: Presumably if there had been a request for a direction that would be recorded.

Sir David Normington: Yes.

Q112 Mr Bacon: Indeed, Sir John Bourn would know that.

Sir David Normington: There was not a request for a direction. The advice was to go ahead and that was accepted, first by the Accounting Officer and then by the Home Secretary. However, the issues, all of which have been raised here, are very fully set out at that point. It was a very full submission with quite a lot of detail.

Q113 Mr Bacon: The thing that amazes me more than anything else is the point that the constituency Member raised, which is that you could spend so much money and yet have nothing to show for it. One can understand the land acquisition cost, which according to Figure 11 on page 19 is £3.2 million. You paid the money to the MoD; you now have the land; it is now your land. That is a drop in the ocean, however, or is a very small proportion of the total

² Ev 14

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expenditure, and still to get nothing. I want to go through those figures in Figure 11. First of all, what is the current value of the site, either in your books or actually on the basis of a professional valuation?

Sir David Normington: I stand to be corrected but I do not think that we have had a recent professional valuation of the site. It is, as I say, showing on our books at £4.6 million.

Q114 Mr Bacon: I think Mr Griffiths may have asked you this, to which you perhaps said you did not know. How many acres?

Sir David Normington: I am afraid I do not know. I am sure we can find that out.³

Q115 Mr Bacon: That would be helpful to know. Presumably—I am not saying that it is going to be—were it to be building land for housing it would have a much higher value, would it, or is this based on the potential of that?

Sir David Normington: I do not know, and I had better not speculate.

Q116 Mr Bacon: Perhaps you could send us a note about what work has been done on the valuation.⁴ That would be helpful.

Sir David Normington: I will do, yes.

Q117 Mr Bacon: Perhaps I could go through the various items in Figure 11. First of all, civil servants' pay for the period. Most of the cost in Figure 11 is the £27.9 million for Bicester out of a total of £33.6 million. In other words, it is about 90% or more. Curiously, however, the civil servants' pay accounts for only £600,000 out of £1.8 million. That is less than a third. Why is that? What were the civil servants doing that caused that disparity?

Sir David Normington: Could I ask Lin Homer to pick that up?

Ms Homer: From looking at the documents, the bulk of the Civil Service time was spent in the project overall, and the project-specific work on Bicester had a smaller amount of direct Civil Service input, compared with—

Q118 Mr Bacon: What does “the project overall” mean?

Ms Homer: Looking at potentially having ten accommodation centres; looking at the possibility of using what the Refugee Council called “a core and cluster approach”; the development of the overall policy.

Q119 Mr Bacon: To get to a figure this precise, presumably you have costed it out on the basis of ‘x’ number of civil servant man/woman days.

Sir David Normington: Yes.

Q120 Mr Bacon: Can you send us the working for those, so that we can see how the £1.8 million is composed?⁵

Sir David Normington: We can do that, yes.

Q121 Mr Bacon: The second thing is the consultants, which Mr Touhig has already mentioned. The first one is where it says “Design and construction”. There was no construction, was there? That is correct?

Sir David Normington: Yes, but they had done a lot of preparation.

Q122 Mr Bacon: They did a little one with matchsticks? It is a computer model, is it not—or could you touch it and feel it, stand over it and look at it?

Sir David Normington: We had had to apply for and had got outline planning permission and—

Q123 Mr Bacon: Is this a computer model?

Sir David Normington: Yes.

Q124 Mr Bacon: Or is it actually a physical thing that you can touch and feel?

Sir David Normington: No, of course not.

Q125 Mr Bacon: So there was no construction?

Sir David Normington: There was no construction on the site.

Q126 Mr Bacon: All I am trying to get to is where it says “Design and construction”, what it actually means is “design”. I could scrub out the words “and construction” and it would not be inaccurate.

Sir David Normington: No, you cannot.

Ms Homer: The firm did produce some pilot, modular buildings to full size, to test the theory. They had done some construction as part of the preparation for going live on site. That is why the reference is there to “construction”.

Q127 Mr Bacon: This £7.559 million that was for “Design and construction”, that all went to GSL, did it?

Ms Homer: Yes.

Q128 Mr Bacon: The “Termination payment” of £7.9 million—how was that calculated? Was it in the contract at the beginning, the one that was let, that there should be a fixed percentage of the total? Why is it £7.926 million?

Sir David Normington: I will ask Lin Homer to give you a bit more detail, but I will just say two things about it. First of all—and I did make this point before—if planning permission had been turned down, that had already been built into the contract. When the contract was signed, there was a clause about what would happen if planning permission was not granted. It was granted, and then there was a cancellation fee—which this is. There was quite a negotiation about the cancellation fee at the time, which was partly to do with what costs had been incurred. My recollection is that the Home Office offered £6.1 million to begin with and then, in negotiation that followed, it went to £7.5 million.

³ Ev 14

⁴ Ev 14

⁵ Ev 15

Q129 Mr Bacon: When you say “what costs had been incurred”, they had already been paid, or were paid in the end, £7.559 million to recompense them for the work they had done and the cost that had been incurred there—already, separately from the subsequent £7.9 million compensation for the cancellation.

Sir David Normington: Yes, but, as you know, in projects of this sort they have to assemble their team. A lot of work had been done preparing for it to go.

Q130 Mr Bacon: How many staff worked on this from GSL?

Sir David Normington: I am afraid I do not know that.

Q131 Mr Bacon: Can you write to us with that?⁶

Sir David Normington: I can try to—

Q132 Mr Bacon: It would be interesting to know, and then we can divide it by the cost and see how much each member of staff cost.

Sir David Normington: I can certainly try to give you a fuller breakdown.

Q133 Mr Bacon: Could you do that for us?

Sir David Normington: Yes, I can try.

Q134 Mr Bacon: Number of staff, total amount of money—divide one by the other.

Sir David Normington: I will if I can.

Q135 Mr Bacon: I have a calculator that I will lend you if you are unable to do it.

Sir David Normington: No, I can do the calculation; I am not sure whether I can find out the basic facts from GSL.

Q136 Mr Bacon: This brings me to paragraph 36. “The Home Office told us that it could not analyse separately the consultancy costs for other potential sites, such as RAF Newton and HMS Daedalus.” Why was that? Why could you not do that basic breakdown?

Sir David Normington: There are two reasons for that. One is that some of the invoices that go back to 2001/2 could not be found and some could not be attributed to a specific project. Some of the reasons for that, as we have explained, were perfectly explicable in the sense that this was, to begin with, an overall project looking at first of all several hundred sites and then it was winnowed down. Some of those costs are about that.

Q137 Mr Bacon: You took over in January 2006, did you not, as Accounting Officer? The accounts you had to sign, even though they were presented to Parliament unaudited. That is almost the first thing you had to do as Permanent Secretary which is not an enviable position to be in. Those accounts referred to the period April 2004 to March 2005, presumably, did they not, the previous completed financial year?

Sir David Normington: Yes.

Q138 Mr Bacon: That is the period when all this was happening. The truth was the Home Office was in melt down during that period and the Home Secretary said it was not fit for purpose, was it not?

Sir David Normington: Some of the invoices go back further than that. If you recall, we had this exchange in detail—

Q139 Mr Bacon: I do not think I shall ever forget.

Sir David Normington: Neither will I. The introduction of the new accounting system in 2003/4 was the cause of the melt down.

Q140 Mr Bacon: The Adelphi accounting system. This was the one that estimated your budget as one and a half times the size of the planet.

Sir David Normington: The accounts are clean now.

Q141 Mr Bacon: You are the Accounting Officer. You have to sign the statement of internal control. Part of that is making sure your risk register is in shape. Did your risk register not flag up potential legal problems? You said that no one anticipated that it would go to the High Court, let alone to the Appeal Court and yet very clever people with first class degrees from the best universities in the country sit round thinking about what are all the possible risks. People write books on risk. Did nobody think about legal risk? Surely in any planning project one of the risks is not just the planning risk from the local planning authority or the inspector but that it might go further. That is a standard, pretty obvious risk, is it not?

Sir David Normington: The risks of not being able to go ahead with this were recognised and built in but, as I said earlier, the length of the planning period was underestimated.

Q142 Mr Bacon: I would like to go back to the consultancy costs, the £6.3 million underneath GSL. You mentioned that that included architects. That is presumably a separate payment from the design payments to GSL, is it?

Sir David Normington: This was about the advisers on our side of the project because some of it was about first of all developing the concept and some of it was about appraising the bids.

Q143 Mr Bacon: The previous money, the £7.559, included GSL’s professional advisers and the £6.3 included yours?

Sir David Normington: Yes.

Q144 Mr Bacon: Is it possible that you could send us a very thorough and detailed breakdown of all these costs that come up to both the £33.6 million and the £27 million to a much higher level of detail than we see here, essentially under pretty much every heading, whether it is insurance, consulting, engineering or architects or whatever, so that we can get some handle on where it all went?⁷ I am sure Mr

⁶ Ev 15

⁷ Ev 15

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Baldry would like to know and, by the way, this would have more than paid for the A140 Long Stratton Bypass in my constituency. £26 million is the latest estimate. I would have given you £1.8 million change, Sir David.

Sir David Normington: We will certainly do that.

Q145 Chairman: You have two weeks to do that.

Sir David Normington: We will do our very best to give you the detail you want.

Q146 Mr Mitchell: After all this agitation, this has been hanging over the poor old locals for six years now. Paragraph 40 of the Report says that the Home Office is considering whether the land could be used as a detention centre for failed asylum seekers before deportation—you have not given up, have you?—and has prepared a business case. “On the basis of this future use, the Home Office has retained some £4.6 million of the capital cost incurred (besides acquisition costs and land enabling work) on its balance sheet . . .”. When will that be decided?

Sir David Normington: I cannot give a precise date but we hope it will not be too long. We are in discussions.

Q147 Mr Mitchell: What is too long?

Sir David Normington: We are in discussions with our ministers about the next phase of our asylum policy, particularly in relation to detention centres. We have several coming on stream in the next year. The question is do we need any more and if we do then there will be a question as to whether Bicester is one of the potential sites for that. We have not decided that.

Q148 Mr Mitchell: When you do decide, are any of the costs incurred, consultancy work and other payments in the design of the original proposal, going to be useful, relevant, or is it all a waste of money?

Sir David Normington: Some will be useful but I would not want to pretend to you that they will be substantially useful because a detention centre is a different thing. It is a place where you want to keep people in rather than let people come and go. It is a much better proposition because you lock people up there and you do not want them to get out.

Q149 Mr Mitchell: It may mean it will all have to be done over again then. It is different. It has security implications now.

Sir David Normington: Yes, but we have some very good models for detention centres. We are well on with one that is nearly built at Brook House near Gatwick. Colnbrook is already in operation so we have that model. I do not think it is as costly a model in terms of the preparation for it.

Q150 Chairman: That concludes our hearing and we hope that our report will try and avoid money being wasted in this way in the future. Before I end this hearing, can I just say one or two words which are nothing to do with the subject of this hearing? This is quite an historic, sad moment because it marks the

very last hearing that Sir John Bourn will be here as our Comptroller and Auditor General. I know that one or two other Members also want to say a word, Sir John, but I also paid you tribute in the House of Commons and I will be giving further tributes to you in private next week with the Members of the Committee, but I do want to say publicly that I think you have been a wonderful tower of strength to this Committee.

Sir John Bourn: Thank you very much.

Mr Bacon: I would like to thank Sir John for giving me his book recently which, I regret to say, is not top of *The Sunday Times* best seller list although it certainly should be and I would recommend every Permanent Secretary to read it. It is called “*Public Sector Auditing*” and it draws on his unparalleled experience over 20 years in the office. I was counting up today the number of references to reports of the National Audit Office in the bibliography. There are over 90 as well as many report of this Committee and other select committees. It is an extraordinary achievement, but it is one that would not have been possible without his extraordinary service to this House as an officer of this House and to the taxpayer. I think we all owe him a great debt for that, so thank you very much indeed.

Mr Touhig: Can I echo what has been said. Sir John, you might seem an unlikely pin-up but you are to me because I spent 20 odd years as a local councillor helping to build up public services in my part of the world. Soon after I came into Parliament, we had a huge crisis with a college that would have collapsed, in my view, because of poor management and all sorts of other difficulties. A number of colleagues and I approached you and the speed with which you carried out the inquiry, the speed with which you gave us some alternatives and gave the corporation that ran the college alternatives for how it could be saved I think we are in your debt for, because in my part of the world that college is where all post-16 education takes place and it would not be there today, I am convinced, but for the fact of your efforts, the efforts of the NAO under your direction. I do not have a picture of you up on my wall but you are my pin-up.

Q151 Nigel Griffiths: I want to say what is in the minds of all the Committee. You have been an outstanding public servant and you have given outstanding service. When I first joined this Committee in the 1990s, it was a great eye opener. The expertise that you have helped build up that is there in the National Audit Office I think is the envy of the world and second to none. I certainly, as a minister, was very grateful for the open access you gave me and my civil servants for advice, mainly on how not to fall into holes and how to achieve best practice. When I ceased to be a minister, one of my decisions to apply to come back on this Committee was to absorb even more from you. I am sorry it has been too short a period. I greatly look forward to our dinner next week and also, if you think you are going to have a quiet retirement, I think I will be on the phone from time to time to tap into your undoubted expertise.

Sir John Bourn: I would welcome that, thank you.

Q152 Mr Williams: After 22 years on the front bench, I sought refuge in the Committee of Public Accounts 17 years ago and it is the best decision I have ever made. I have thoroughly enjoyed it and so much of it has been dependent on the work of you and your colleagues. Also, I am personally very grateful that in several cases that I have brought you some have come to this Committee as full reports. I know you deal with about 100 cases with MPs in a year which most people do not realise, so we are beholden to you for work outside this Committee as well as in. I paid my tributes at some length in the House last week. It was genuinely meant. How many people can say: "I am going now but I will leave behind savings of two thirds of a billion this year"? I said you can be very proud of it. I hope you are proud.

Sir John Bourn: Chairman, Members of the Committee, I am really grateful for and touched by all you have said. I have enjoyed being the

Comptroller and Auditor General. I have enjoyed working with the Committee. I have enjoyed also the way in which you have supported me and supported my independence. It has never been the case that, unlike many of my colleagues in other jurisdictions, the legislative committee sees the Auditor General as an enemy. You have not seen me as an enemy. You have not always agreed with what has come forward but you have always respected my right to do that and always stood behind me and recognised that the external auditor should speak as he finds, without fear. You have supported me in all that with my colleagues. The successes that we have achieved are joint successes between the Chairman and your predecessors, David Davis and Robert Sheldon, and other Members of the Committee over the years. I am most grateful for all the help and support that I have had from you over 20 years. Thank you all very much.

Chairman: Perhaps we can show our appreciation. (Applause). Thank you.

Supplementary memorandum from the Home Office

Question 109 (Mr Richard Bacon) *on the extent to which the Accounting Officer briefed Ministers on the consequences of the negative net present value of the proposed Accommodation Centre at Bicester.*

1. Following the Group Investment Board's consideration of the Business Case for Bicester in February 2004, the GIB requested further work be undertaken to analyse the benefits. The results of this re-appraisal were presented to Ministers through a submission to the Home Secretary from the Project Sponsor on 26 May 2004. This submission outlined the costs and benefits of the Bicester project, and was routed to the Home Secretary via the Accounting Officer.

2. The submission detailed the benefits assessed for Bicester, and was clear that "if only the most narrow and easily quantifiable benefits are accounted for, Bicester does not constitute value for money". It stated that as a consequence, broad benefits amounting to some £4 million per annum were required to achieve value for money. These were expected to accrue as accommodation centres increasingly formed part of a developing end-to-end asylum system. They derived principally from the overhead savings which could be realised if further centres were rolled out to deal with a significant proportion of applicants; ie they were not benefits which would derive immediately from Bicester but additional benefits which could be expected to accrue later if Bicester became the first of a network of centres. In addition, it was considered reasonable to assume that non-quantifiable benefits would prove to have a significant impact. These were the anticipated improvements in social cohesion which were expected to accrue from relieving pressures on urban dispersal areas, including reductions in crime.

Question 114 (Mr Richard Bacon) and Question 36 (Nigel Griffiths) *on the size of the Accommodation Centre sites proposed at Bicester and RAF Newton.*

1. The physical sizes of the two principal sites that were pursued as potential Accommodation Centres are as follows:

- Bicester—14 hectares.
- RAF Newton—15.8 hectares.

Question 116 (Mr Richard Bacon) *on the work that has been done on the valuation of the site at Bicester.*

1. The Home Office's accounting policy for fixed assets is that tangible fixed assets are stated at the lower of replacement costs and recoverable amount. On initial recognition, assets are measured at cost, including any costs directly attributable to bringing them into working condition, such as installation. Land and buildings are restated to current value using professional valuations every five years and in the intervening years by the use of published indices appropriate to the type of land or building. All valuations are undertaken in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual.

2. As at 31 March 2007, the net book value of the Bicester site was £4.6 million. This represents the original cost of the site adjusted annually by appropriate indices since its acquisition by the department in 2004.

3. In 2008–09, the Home Office intends to instruct a firm of chartered surveyors to revalue the Bicester site (along with all its other properties) as part of a cross government exercise to comply with International Financial Reporting Standards (IFRS) for its 2008–09 Resource Accounts. This exercise will result in the restatement of the fixed asset opening balances of the 2007–08 comparatives.

Question 144 (Mr Richard Bacon) *providing a detailed breakdown of both the £33.7 million costs for Accommodation Centres and the £28 million spent on Bicester.*

1. The table at **Annex A** provides a detailed breakdown of the expenditure summarised in Figure 11 of the C&AG's report on the Cancellation of Bicester Accommodation Centre.

2. Mr Bacon also asked (Q120) for a detailed breakdown of Home Office pay costs (including Agency staff) for the Accommodation Centres project. This is attached at **Annex B**. As noted in the Figure 11 of the NAO's report, the breakdown of salary costs (totalling £1,864k for the project as a whole) was £616k for Bicester and £1,248k for other sites. This apportionment is on the basis that the £1,248k costs incurred between 2001–02 and 2003–04 could not be attributed to individual sites, being as they were related to policy development of the whole programme of accommodation centres, research, and identification of suitable sites. The £616k salary costs incurred in 2004–05 and 2005–06 relate specifically to the development of the site at Bicester.

3. Mr Bacon also asked (Q131) how many staff from Global Solutions (GSL) were engaged in the development of the site at Bicester. We have written to GSL regarding this. Acknowledging the difficulties posed by the distance of time, GSL have provided a broad indication of the number of staff committed to the Bicester project.

4. Carillion, GSL's main sub-contractor, have advised that they had approximately 65 people committed to the project and GSL's records suggest a figure of 29 from their own staff, giving a total of 94 people. These figures include principal sub-contractors for each company.

DETAILED BREAKDOWN OF ACCOMODATION CENTRES PROJECT COSTS

Transaction detail		Total £	Bicester £	Other sites £
PAY COSTS (see separate attachment for details)		1,864,346	616,274	1,248,072
CONSULTANCY AND TERMINATION PAYMENTS—GSL				
CONSULTANCY—GSL				
GSL	DBO Contractor	7,194,474	7,194,474	
GLOBAL SOLUTIONS (G)	DBO Contractor	364,720	364,720	
TOTAL		7,559,194	7,559,194	0
TERMINATION PAYMENTS—GSL				
GSL	Termination payment	7,926,000	7,926,000	
TOTAL TERMINATION PAYMENTS		7,926,000	7,926,000	0
OTHER CONSULTANCY COSTS				
PARTNERSHIPS UK PLC	Procurement advice	13,025	13,025	
DRIVERS JOANS	Consultancy	423,066	423,066	
CGMS LTD	Planning	101,265	101,265	
HIGHWAYS AGENCY	Traffic issues	886	886	
LAMBERT SMITH HAMPTON	Land agents/Site searches	10,601	10,601	
DEFENCE ESTATES	Consultancy charges in connection with BICESTER	9,592	9,592	
OTHER COMPNBIES	Services including planning advice	139,134	139,134	
PRICEWATERHOUSECOOPERS	Financial Advice	26,709	26,709	
TOTAL BICESTER 100%		724,277	724,277	0
COSTS FOR SITES TO BE APPORTIONED				
DRIVERS JONAS	Professional Works Advisers—includes Core Project Team costs*	5,847,418	3,978,583	1,868,835
CGMS LTD	Planning	899,725	612,173	287,552
HIGHWAYS AGENCY	Traffic issues	5,854	3,983	1,871
LAMBERT SMITH HAMPTON	Land Agents/Site searches	139,856	95,158	44,698
WHITE YOUNG GREEN LTD	Transport Studies & Other consultancy	451,619	307,282	144,337
SECURITY SERVICES GROUP	Security Advisers	2,805	1,909	896
PRICEWATERHOUSECOOPERS	Financial Advice	122,894	83,671	39,227
AON	Insurance Advice	350	238	112
ARUP ECONOMICS	Economic/Employment Advice	20,667	14,062	6,605
BRODIES	Legal Advice	5,400	3,674	1,726
BUTLER & YOUNG	Building Control/Fire Safety	457	311	146
RPS PLANNING	Planning	1,607	1,093	514
SURVEY OPERATIONS	Technical groundworks	61,383	41,765	19,618
DBA DEFENCE BILLS AGENCY	Misc Land Charges	218,868	148,918	69,950
THOMAS TELFORD LTD	Civil Engineering	6,672	4,540	2,132
SOIL MECHANICS LTD	Soil surveys	14,406	9,802	4,604
ZURICH	Insurance advice	1,050	714	336
OTHERS	Support for initial policy development	400,000	272,160	127,840
TOTAL SITES TO BE APPORTIONED		8,201,031	5,579,981	2,621,049
OTHER SITES (100%)				
DEFENCE ESTATES	Newton	314,731		314,731
OTHERS	Various other sites	1,037,679		1,037,679
TOTAL OTHER SITES (100%)		1,352,409	0	1,352,410
TOTAL CONSULTANCY				
		10,277,717	6,304,259	3,973,459
LEGAL COSTS				
Treasury Solicitors	Legal advice	544,942	361,841	183,101
Berwin Leighton Paisner	Legal advice	419,676	278,875	140,801
Michelmores	Legal advice	18,227	12,121	6,106
Other	Legal advice	7,155	4,758	2,397
		990,000	657,595	332,405
LAND ACQUISITION FROM MOD				
Defence Estates	Acquisition cost of Bicester land	3,264,000	3,264,000	0
LAND ENABLING WORK				
Carillion	Land enabling works	1,278,000	1,278,000	0
OTHER ADMINISTRATION COSTS				
This includes all costs relating to office expenses/T&S/Printing etc		537,000	352,000	185,000
GRAND TOTAL				
		33,696,257	27,957,322	5,738,936

DETAILED BREAKDOWN OF SALARY COSTS FOR THE ACCOMMODATION CENTRES PROJECT

Staff	Grade	2001-02			2002-03			2003-04			2004-05			2005-06			Total £
		Annual salary equiv £	Period worked (mths)	Actual cost £	Annual salary equiv £	Period worked (mths)	Actual cost £	Annual salary equiv £	Period worked (mths)	Actual cost £	Annual salary equiv £	Period worked (mths)	Actual cost £	Annual salary equiv £	Period worked (mths)	Actual cost £	
Project manager	G6	51,775	5	21,573	53,846	12	53,846	56,000	12	56,000	57,960	12	57,960	59,989	3	14,997	204,376
Personal Secretary	PS	13,868	0	0	14,423	11	13,221	15,000	12	15,000	15,525	12	15,525	16,068	3	4,017	47,763
Deputy Project Manager	G7	49,001	0	0	50,962	12	50,962	53,000	12	53,000	54,855	9	41,141	56,775	0	0	145,103
Procurement Manager	G7	49,001	0	0	50,962	12	50,962	53,000	12	53,000	54,855	12	54,855	56,775	3	14,194	173,010
Communications Manager	SEO	41,605	0	0	43,269	3	10,817	45,000	12	45,000	46,575	12	46,575	48,205	3	12,051	114,444
Project Support	HEO	20,618	0	0	21,442	9	16,082	22,300	12	22,300	23,081	12	23,081	23,888	3	5,972	67,434
Procurement Advisor	Agency staff	175,000	2	29,167	182,000	12	182,000	189,280	12	189,280	194,958	6	97,479	200,807	0	0	497,926
Financial Advisor	Agency staff	175,000	1	14,583	182,000	12	182,000	189,280	12	189,280	194,958	12	194,958	200,807	2	33,468	614,290
Total (£)				65,323			559,889			622,860			531,574			84,699	1,864,346