

## PFI INCINERATORS

**Money to burn**

**T**HE treatment of household waste might not provoke the same concern as services such as health, but it is every bit as capable of throwing away taxpayers' money – thanks to the ultimate drain on public finances that is the private finance initiative.

Environmentally suspect incinerators (*Eyes passim*) were first built in the late 1990s to meet European targets to reduce the use of landfill sites. In the meantime, targets and technology have changed significantly; and the idea of signing up for 25-year contracts for new incinerators to spew out CO<sub>2</sub> and other noxious particles, at PFI's extortionate costs to boot, could hardly be dafter. Already, vastly improved waste-sorting technologies, not to mention a demand for waste in other European countries with a surfeit of incinerators used to provide heating, mean there is no need for any more in the UK. Some already built are, perversely, forcing councils to import waste, some of it toxic, to meet contracted levels of incineration.

Yet when mandarins from the Department for Environment, Food and Rural Affairs (Defra) appeared before parliament's public accounts committee, this is exactly what they tried to justify on the grounds that without PFI, waste facilities would not have been built.

Recent examples of PFI waste contracts

looked at by the committee illustrate their fatal flaws. A plant at King's Lynn in Norfolk was cancelled this year after it failed to win planning permission, but not before contracts had been signed, which now demand £34m in compensation. In Hereford and Worcester, the council concluded negotiations with Defra over restructuring an exorbitant deal by deciding that scrapping PFI and funding waste facilities by borrowing itself would be far cheaper (even though, using the Treasury's fiddled methods, Defra had concluded PFI was better value for money).

Hereford and Worcester's decision was reached despite its entailing the withdrawal by Defra of PFI "credits" – a subsidy from central government to use PFI rather than cheaper borrowing. But others are taking central government cash as the department hands out a total of £1.7bn in these credits. Recent waste treatment PFI deals, all for 25 years, include a £181m deal in Bradford and a £256m plant in York, while Merseyside council signed a £369m contract even though Defra withdrew its credits. Other nine-figure deals loom in Leeds, Wakefield and Essex.

The government persists with PFI, and bribes councils to sign up to it, for no other reason than to keep debt off the books. The result, as the *Eye* has long pointed out – and those public bodies cancelling PFI deals are appreciating – is that many more billions of taxpayers' cash will be going up in smoke for decades.

## GPT BRIBERY SCANDAL

**Hammond to the rescue**

**T**HE Ministry of Defence's desperation to cover up its role in a bribery scandal has resulted in its being served with a formal notice by the Information Commissioner for its failure to respond properly to freedom of information inquiries from *Private Eye*.

A £2bn extension of a longstanding contract between the British government and the Saudi Arabian National Guard which dates back to the 1970s, for the supply of electronic warfare equipment, was signed by the MoD in February 2010, with the work contracted to a UK subsidiary of defence and aerospace giant EADS (recently renamed Airbus), GPT Special Project Management Ltd.

The main deal was followed by a series of agreements for specific projects under the contract, each of which provided for the payment of 15 percent margins to Cayman Islands companies run by a shadowy fixer for "bought in" services, when no such services were provided (see *Eyes passim ad nauseam*). Soon after a whistleblower took the matter to the Serious Fraud Office in 2011 (the SFO is still investigating), the payments stopped; and in June 2013 a revised agreement was signed between the governments.

So could the MoD explain the approvals process for such payments and how often it had queried them before reimbursing GPT, and explain the 2013 agreement? After a couple of cursory replies to the effect that saying anything would damage international relations, the *Eye* put the matter to the Information Commissioner's Office (ICO) and the MoD has been forced to admit that it didn't even look properly for the information, as required by law, before dismissing the request. It is now being forced to comply.

The reluctance might be related to recent schmoozing of leading figures from the Saudi National Guard (essentially the Saudi royal family's private army) by defence secretary Philip Hammond. In April he was in Riyadh meeting the deputy minister responsible for the National Guard, Abdulmohsen Al-Tuwaijri. As it happens, a source connected with the contract back in its early days in the 1980s revealed that

the offshore payments were destined for Saudi officials known as T1, T2 and T3, referring to members of the Al-Tuwaijri family, close to the then head of the National Guard, Prince Abdullah, who is now King Abdullah.

Hammond's host himself appears in archived MoD papers from 1982, unearthed by author Nicholas Gilby. At the time a diplomat reported that: "T1's son, Abdul Mohsen Al Tuwaijri, has been given charge of Prince Abdulla's [*sic*] household, a lucrative but not onerous appointment." Not somebody to embarrass further with details of how Britain's own Ministry of Defence rubber-stamps dubious payments on arms contracts with the army he runs.

**Eye told you so**

**R**ECENT revelations in *Eyes* 1366 and 1368 of the highly misleading claims made by HM Revenue & Customs about how much it is recovering from investigating tax dodging of all sorts have been vindicated by the National Audit Office (NAO).

Only last month HMRC put out a press notice claiming it had brought in an extra £23.9bn, when in fact less than half of this was actual hard cash. When the media parroted the story, tax minister David Gauke tweeted it and his press office refused to tell the *Eye* how much of the £23.9bn was money for the taxpayer in 2013/14.

Now an NAO report on HMRC's performance gives the figure. It was, er, £9.2bn, the balance made up of "losses prevented", the subjective notion of "future revenue protected" and the estimated benefits of rule changes.

HMRC's apples-and-pears approach in its use of comparative statistics also led it to overstate its 2011/12 performance improvement by a significant £1.9bn, said the NAO.

## DEATH IN CUSTODY

**Verdict is no joke**

**A** DAMNING verdict from an inquest jury followed the case – highlighted in *Eye* 1368 – of Lloyd Butler (pictured), whose death in custody calls the police disciplinary process into question once again.

The 39-year-old suffered a cardiac arrest and died after three hours in a police cell, during which time officers were tawling the internet, looking at sex sites, making personal calls – and cruelly mocking him.

In its verdict, the jury decided Mr Butler's death might have been avoided had officers



taken him to hospital rather than to a Birmingham police station, had they monitored him properly, and if they had called for swift medical intervention as his health deteriorated. But an Independent Police

Complaints Commission (IPCC) report released the same day reveals that only two police officers and a civilian escort officer were actually sanctioned over the death – and no officer lost their job.

Sgt Mark Allbut, who had falsified records to claim that officers were checking and "rousing" Mr Butler more often than they actually did, was given a final written warning for gross misconduct. PC Dean Woodcock and an escort officer, Darren Wall, who were both recorded on CCTV joking and making offensive comments about Mr Butler as he lay on the cell floor instead of going to his aid, were both found guilty of misconduct. Woodcock was ordered to undergo further training and development while Wall received management advice and a written warning.

*Eye* readers may recall that Mr Butler, who had mental health problems, had been arrested for being "drunk and incapable" when he was seen to be acting in a disturbed and disorientated way. IPCC associate commissioner Guido Liguori said: "The care given to Mr Butler fell well short of what was expected from when he was arrested to the moment he sadly died. Instead of taking Mr Butler to hospital officers kept him in a police cell and instead of helping him, PC Woodcock and DEO Wall mocked him." The IPCC report said that when Mr Butler collapsed and his trousers fell down, the pair joked about his state of undress, smacked him on the bottom and laughed about people from "complaints and discipline watching the CCTV".

The inadequacy of the sanctions imposed by West Midlands Police was immediately attacked by Inquest, the charity that supports the families of those who die in custody or at the hands of the state. Deborah Coles, co-director said: "Basic police procedures designed to keep detainees safe were ignored, Lloyd Butler failed to receive the emergency medical care he desperately needed – and he died. It is therefore shocking that no officer lost their job or even received a meaningful sanction".

Latest figures obtained by the *Eye* show that in the four years to April 2013, out of all the officers the IPCC decided had a case to answer for gross misconduct, ten were subsequently found guilty. No-one was dismissed. One resigned, but was convicted in his absence, seven received final written warnings and two just written warnings.