



House of Commons
Committee of Public Accounts

Ministry of Defence's contract with Annington Property Limited

Fifty-Third Report of Session 2017–19

*Report, together with formal minutes relating
to the report*

*Ordered by the House of Commons
to be printed 4 July 2018*

The Committee of Public Accounts

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Publication

Committee reports are published on the [Committee’s website](#) and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee’s website.

Committee staff

The current staff of the Committee are Richard Cooke (Clerk), Dominic Stockbridge (Second Clerk), Hannah Wentworth (Chair Liaison), Ameet Chudasama and Carolyn Bowes (Senior Committee Assistants), Zainab Balogun and Kutumya Kibedi (Committee Assistants), and Tim Bowden (Media Officer).

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Summary

In 1996, the Ministry of Defence sold most of its married quarters estate (now referred to as service family estate) to Annington Property Limited and agreed to rent it back for up to 200 years. The deal has turned out to be disastrous for taxpayers, offering no protection against the private sector making excessive gains at the taxpayer's expense. Worse could follow because the rent, which has been subject to a 58% downwards adjustment to date, is to be reviewed from 2021. Depending on the outcome of negotiations, the Department's costs could increase significantly at a time when the defence budget is already stretched. The Department and its Defence Infrastructure Organisation, which is again being reorganised, do not yet appear to be well prepared in terms of having the necessary staff and information. The uncertainty over the outcome of these negotiations is part of a wider lack of clarity about the future form of service housing support that will be available. This is fuelling continuing low levels of satisfaction with the overall standard of service family accommodation, which is concerning at a time when the Armed Forces are struggling to retain the personnel it needs. It is also scandalous that, over the life of the contract with Annington and at a time of a national housing shortage, the Department has failed to reduce the number of empty properties it holds; the number currently stands at over 10,000, roughly the same as 21 years ago.

Introduction

The Ministry of Defence offers subsidised housing for its service personnel and their families as part of the overall remuneration package. In 1996, the Ministry of Defence (the Department) sold 999-year head leases on 55,000 houses to Annington Property Limited (Annington) and then rented them back on 200-year underleases. The main purpose of the deal was to transfer ownership of the bulk of the married quarters estate to the private sector; secure funds for upgrading work, and improve the management of the estate. Initially, the Department has received a 58% adjustment to open market rents for the first 25 years of the contract, which reflected among other things that it continued to have responsibility for maintaining the properties. However, the Department is between £2.2 billion and £4.2 billion worse off over the first 21 years of the contract than if it had retained ownership. This is largely because it has missed out on house price rises, which have been substantially higher than it predicted.

Conclusions and recommendations

1. **The Department's 1996 deal with Annington Property Limited provided little protection for taxpayers, who have lost billions of pounds, while enabling Annington to make excessive returns.** The deal comprises a sale and leaseback arrangement with the private sector involving over 55,000 residential properties. The Department expected Annington to make a reasonable return, but the current annual return of 13.4% is significantly out of line with the limited risks that Annington took on, fuelled by greater than forecast house price rises. In contrast, as a result of rent payments and the loss of the house price gains, the Department is between £2.2 billion and £4.2 billion worse off so far, than if it had retained the estate. The Department has also not done enough to protect long-term value for money; clawbacks on increases in the value of house prices ended 15 years into the 200 year deal, it is paying rent on around 20% of the retained Annington estate which it holds vacant, and it has only surrendered a small number of properties since 2004. The Department and Annington have failed to collaborate for mutual benefit to identify opportunities for developing the estate in line with the objectives of the deal, although both sides told us relations had improved recently.

Recommendations:

In its response to this report, the government should confirm that all its future deals will contain effective protections for the taxpayer that were noticeably absent in this sale. In respect of the Annington deal, the Department must make the most of a bad situation. As well as securing the best possible outcome from the rent negotiations, it should work with Annington to extract the maximum value from the estate, including via estate development opportunities, options to release sites, and agreements around the use of utilities.

2. **The Department has failed over many years to meet the reasonable expectations of service personnel and their families for good quality accommodation.** The Annington deal is just one of a number of areas of concern with service housing. It sits alongside the performance of CarillionAmey in maintaining the homes, and the uncertainty associated with the slow development of a Future Accommodation Model, all of which the Committee has commented on before. Subsidised accommodation is a key element of the overall remuneration package for those in the Armed Forces, but satisfaction with the standard of service family accommodation has remained at around 50% for some years. This is despite the Department claiming that its occupied accommodation now meets the 'Decent Homes' standard. We are not convinced that the Department treats housing as a priority.

Recommendation: We have made a series of recommendations about housing quality, most recently in our July 2016 report. The Department should write to us by 30 November 2018 with a full account of what it is doing to raise satisfaction levels amongst personnel.

3. **The Department has not drawn its various estates initiatives together into a coherent strategy that maximises opportunities for development and disposal.** The Department lacks a single, coordinated vision for service housing, which brings together its current estates initiatives. This means the Department's negotiations

with Annington, its estate rationalisation plans, and the work on the Future Accommodation Model are not aligned. The Future Accommodation Model pilots begin in late 2018 and will last three years, with the aim of providing insights into what alternative forms of housing support are most attractive. This information will help determine how much service family accommodation the Department needs to retain, and would be useful now. The Department's estates disposal strategy aims to enable it to dispose of 25% of its wider estate by 2040. Decisions regarding each of these initiatives are interdependent, and affect overall affordability.

Recommendation: *In its response to this report, the Department should report to the Committee how it will align its work on the Annington negotiation, Future Accommodation Model and estates disposal into a coordinated strategy that will bring long overdue improvements to the management of its estate and protect the Department's position in the rent review negotiations.*

4. **We are not convinced that the Department and the Defence Infrastructure Organisation currently have the strategy, capability or information required to negotiate effectively with Annington over rent reviews.** At a crucial point in the management of its estate, the Department is yet again restructuring the Defence Infrastructure Organisation (DIO), which is extricating itself early from its arrangement with Capita, its Strategic Business Partner, and struggling to recruit all the personnel it needs. The Department also needs to gather further site information, such as on the rental market specific to the local towns surrounding each site, to ensure that it is in a good negotiating position and can make choices about what to do with each of the sites. In contrast, Annington appears to be better placed for negotiations with the Department, based on unbroken knowledge of the estate going back to the 1990s and careful preparation. Both sides are exploring opportunities offered by an agreement in principle at the national level, since a site-by-site approach to the renegotiations risks lengthy and costly disputes, which both sides would probably prefer to avoid. However, the Department should not narrow its options too quickly, since a willingness to proceed down the site-by-site route might provide a useful lever to securing agreement.

Recommendation: *The Department should continue to pursue all options in its rental negotiations, to get the best deal possible for the taxpayer. For this, it needs to finalise its organisational changes as soon as possible, ensure that it has the right people in place, and gather the necessary information it needs to inform its strategy. Without this, the Department's negotiating position, which is already weak, will be further undermined.*

5. **It is scandalous that the Department still holds so many empty properties at a time of a national housing shortage, and has made almost no progress in 20 years in reducing the number.** The number of empty properties currently stands at above 10,000, roughly the same as 21 years ago, despite a 30% fall in the total number of properties rented back from Annington over that period. The Department now retains 39,000 units but has not made any meaningful attempt to surrender properties since the early 2000s, even though the incentive of sharing sales proceeds continued until 2011. The Department states that the average cost of handing back a vacant property in a tenantable state—as they are required to do—is around

£12,000, and it has had to prioritise other areas of defence activity. This seems a short-term decision since the payback period is only about one and half years, based on an average annual cost of £7,807 to rent, manage and maintain each property.

Recommendation: *The Department should develop a plan and timetable for reducing the number of empty properties to a more acceptable level, with a target of getting down to, at most, 10% voids in three years time. It should write to us with details of its plan by 30 November 2018.*

6. **Annington made some welcome commitments to us in respect of providing affordable homes, helping first-time buyers, and protecting tenants from excessive rents which we expect them to fulfil.** According to Annington, of the 18,500 properties that have been returned to it, almost all have been refurbished and sold to the general public, two-thirds to first-time buyers and one third to service personnel. It says it is committed in its business plan to helping first-time buyers by selling surplus accommodation at affordable prices in as many locations as possible. It also says that it is committed to letting more surplus properties for rent at affordable prices in the region of between £600 and £900 a month maximum, affordable for someone on an average salary of around £28,000. Terra Firma tells us that, as an investment manager, it considers Annington's plans made good business sense because of current market conditions, and that it has recently raised £550 million of new equity for the business, partly to finance the development of a private rental business in Annington.

Recommendation: *We expect Annington to honour the commitments it made to us about affordable housing, and we ask its Chief Executive Officer to write to the Committee on an annual basis to set out progress.*

1 The deal and its consequences

1. On the basis of a report by the Comptroller and Auditor General, we took evidence from the Ministry of Defence (the Department). We also took evidence from representatives of Annington Property Limited (Annington) and Terra Firma Capital Partners (Terra Firma), the finance partner in the deal with the Department.¹

Sale of the married quarters estate

2. Subsidised housing is an important part of the remuneration package provided to service personnel and their families, which takes account of the need for them to move regularly or work away from home. Support can take the form of an appropriate allowances package, or publicly provided family or single person accommodation. The Department aims for this accommodation to meet the government's Decent Homes Standard for public housing, and recognises that suitable housing is an important factor in maintaining morale and helping to retain personnel in the services.²

3. In the early 1990s, the Department's Housing Task Force concluded that the quality of service family accommodation was inadequate and poorly managed. Subsequently, in 1996 it sold most of the estate for £1.66 billion following a competition. The Department sold 999-year head leases on some 55,000 housing units it wished to retain on its married quarters estate (now known as service family accommodation). It then rented them back on 200-year underleases from Annington. The deal also involved over 2,000 additional properties no longer required by the Department. All the properties were situated in England and Wales, but not Scotland and Northern Ireland.³

4. The Department secured a 58% adjustment (or discount) to open market rents on properties for the first 25 years of the contract. This reflected its ongoing maintenance responsibilities, the bulk nature of the lettings and the quality of the Department's covenant, as well as the benefit to Annington of the guaranteed minimum rent payments. The discount is currently worth £250 million per year.⁴ From 2021, the rents will be reviewed on a site-by-site basis, and the extent of any adjustment thereafter is unclear. The Department told us it has a very good set of arguments, informed by experts, to justify that the discount should be at least what it is at the moment, if not higher, and the Permanent Secretary has told Annington he thus expects rents to come down. However, Annington told us that the site review provisions specifically exclude the Department's covenant and the bulk nature of the deal, whilst the minimum guaranteed rent would fall away. Annington commented that "We are on record ourselves as saying that we expect them [the rents] to increase".⁵

1 Report by the Comptroller and Auditor General, [The Ministry of Defence's arrangement with Annington Property Limited](#), Session 2017–2019, HC 762, 30 January 2018

2 [C&AG's Report](#), para 1.1

3 [C&AG's Report](#), paras 1.2–1.3, 2.2

4 [C&AG's Report](#), figure 12, para 2

5 Qq 20, 127; [C&AG's Report](#), para 4.5, figure 18

The consequences of the deal

5. There The deal with Annington required the Department to pay up to 200 years of rental payments in return for an upfront £1.66 billion cash sum. The Department expected Annington to make a reasonable return and modelled this at 9.7% a year, including inflation. However, Annington's actual return to the end of March 2017 is 13.4%—significantly out of line with the limited risks that it took on. The higher return achieved is primarily due to property values increasing faster than the Department had predicted in 1996.⁶

6. We asked Annington whether it had expected the deal to be such a good one from its perspective. It told us that Nomura, which led the winning bid, had taken a different view to others at the time, believing—rightly as it turned out—that, having fallen for the six previous years, house prices would rise again. According to Annington, they have risen by 280% since 1996.⁷ In contrast, by not retaining the estate, the Department is between £2.2 billion and £4.2 billion worse off over the first 21 years of the deal, depending on the assumptions made. The Department told us that it was a flawed deal, which had not been good for the taxpayer, and that the forthcoming negotiations presented an opportunity to try to improve it.⁸ The Permanent Secretary told us that he would have expected a deal of this type to have incorporated protections for the public sector, in the event that there were potentially super-profits to be made out of the underlying economic environment.⁹

7. In the last 20 years, the Department has not done enough to secure long-term value for money. It retains an unnecessarily large number of empty properties at a time of a national housing shortage; over 10,000 across the whole estate, which is about the same number as in 1997. This is despite the reduction in the total number of properties rented from Annington by 30%.¹⁰ The sale was also designed to improve management of the estate. Initially, the Department made good progress handing back properties to Annington it did not need. A clawback agreement on increases in the value of house prices returned to Annington, covering the first 15 years of the deal, was designed to incentivise these handbacks. However, by 2004, when the clawback agreement with Annington still had another seven years to run before expiring in 2011, the number of handbacks had fallen sharply, and has not recovered since. Nearly 14,000 properties were surrendered in the first eight years of the deal, but only 4,475 in the following 13 years.¹¹ The Department currently retains 39,000 properties.¹²

8. The Department states that the average cost of returning a vacant property to Annington in a tenantable state—a condition of the contract—is around £12,000. It said the incentives to hand back 'voids' are not very high given it has to pay a lump sum each time to cover dilapidation.¹³ This is a rather short-term perspective since the payback period appears to be around one and a half years, based on the Department's average annual cost of £7,807 to rent, manage and maintain each property. Annington told us that

6 [C&AG's Report](#), paras 1.2, 2.6, 2.18

7 Qq 2, 116

8 Qq 86, 144; [C&AG's Report](#), paras 2.10–2.11

9 Q 87

10 [C&AG's Report](#), figure 16

11 Q 89; [C&AG's Report](#), figure 15

12 [C&AG's Report](#), para 2.15

13 Q 88

it was keen to help the Department with the number of voids, as it made sense to have them back to refurbish and return to the national housing stock. We consider this should be part of the forthcoming negotiations.¹⁴

9. The Department currently holds about 20% of its estate empty. It claims it has been an operational necessity to retain a higher level of empty properties than its longstanding target retention of 10% which is needed to manage routine personnel movements. The Department told us that on top of its target retention it needs up to an additional 15% of 'rattle space' for estate optimisation, and for troops coming back from Germany. The Department told us that it knows it will need properties for the rebasing from Germany over the course of the next 18 months.¹⁵

10. The deal was also intended to generate value for the taxpayer by the Department and Annington working together for mutual benefit.¹⁶ Annington told us it had a history of approaching the Department about better ways to work together on issues such as voids, but, for various reasons, the Department had not taken them forward. It described the last 22 years as "a missed opportunity".¹⁷ On the other hand, the Department told the National Audit Office that the current relationship had not gone beyond operating the contract, and that it had, for example, not considered in 2005 that Annington could handle the accommodation maintenance contract.¹⁸

11. It is clear that the Department and Annington have not worked well together in the past, but both sides assured us that relations had improved greatly recently and there was now constructive dialogue.¹⁹ This is welcome but we believe that there are many things that the Department could do to improve the deal. This might include using its separate estate rationalisation programme and negotiating about other land within the defence estate to allow for developments.²⁰ We highlighted one site with 80 properties which had been left empty since 1996 and on which the Department has continued to pay rent. It told us that this site is within a redundant, mothballed RAF base. It had made slow progress but was currently looking at options for either working with Annington or independently to use the site. The Department told us that at this stage the expectations of the 'Managing Public Money' guidance and government procurement rules gave it the flexibility it needed to take forward suitable opportunities and that the key was to determine value for money in the round.²¹

14 Q 15

15 Qq 105–107; [C&AG's Report](#), figure 16

16 [C&AG's Report](#), figure 5

17 Qq 7, 63

18 Q 156; [C&AG's Report](#), figure 17, para 3.11

19 Qq 4, 116, 156; [C&AG's Report](#), para 8

20 Qq 116, 119

21 Q 161; [C&AG's Report](#), para 3.10

2 Preparing for the negotiations with Annington

Staffing and information

12. The negotiations with Annington are being led by the Defence Infrastructure Organisation (DIO) within the Department, which began background preparations in 2015. However, at a crucial point in the management of the estate, the Department is again restructuring DIO. DIO was created in 2011, but three years later, the Department entered into an arrangement with Capita through which the company provided a small number of key staff with specialist estate knowledge to run DIO.²² In September 2017, the Department announced that it would terminate its contract with Capita because of poor performance. The Department told us that termination would take place no later than 30 June 2019 and it was about halfway through the transition process to bring these management roles in-house, through DIO.²³

13. The DIO told us it had successfully filled two key roles—those of finance director and commercial director—but had found securing the right calibre of people to fill other roles harder. It attributed this to the relatively low profile of defence in the construction industry. Although determined to get the right calibre of permanent staff in post, if necessary it would use temporary solutions including using short-term contracts.²⁴ Specifically on staffing for the negotiations with Annington, the Permanent Secretary told us that he was satisfied with the well-resourced team which had been brought together recently, which includes property specialists, legal firms, investment bankers and UKGI.²⁵

14. To be in a strong position to negotiate with Annington, the Department also needs to improve the quality of information it holds on each site. The Department told us that it had ‘pretty good’ management data on each of the properties, including information derived from inspection checks when occupants changed. However, it conceded that it does not have important information, such as on the rental market specific to the local area surrounding each site, in order to make informed choices about individual sites.²⁶

15. Annington appears to be better prepared for the future negotiations. In contrast to all the change within the senior personnel of the Department since the deal was agreed, its Chief Executive Officer was appointed to that role in 1998, which inevitably provides Annington with a detailed understanding of the history of the arrangement. Annington told us it has brought together a team of around 40 people, including consultants, to prepare for the renegotiations.

16. The Department and Annington are exploring opportunities offered by an ‘amicable compromise agreement’ in principle at the national level to settle the negotiations in a way which meets the Department’s needs and Annington’s aspirations.²⁷ A compromise arrangement would avoid the need for lengthy and costly disputes in an arbitration process

22 [C&AG's Report](#), para 3.4

23 Q 76; [C&AG's Report](#), para 4.14

24 Qq 78, 80–82

25 Q 85

26 Q 117; [C&AG's Report](#), para 4.8

27 Q 120

at a site-by-site basis across 511 sites. However, the Permanent Secretary assured us that if the Department did not feel confident about getting a comprehensive agreement, possibly in around a year's time, it would put in place arrangements for a more onerous site-by-site process. Whilst we agree that avoiding this option is attractive, the Department should not rule it out as it could prove a useful negotiating tool.²⁸

Aligning with other estates initiatives

17. Alongside the Annington negotiations, the Department has a number of other strategic initiatives under way which relate to its service housing estate. However, it lacks an overarching vision to bring them together coherently, which means that the negotiations, its wider estate rationalisation plans announced in 2016, and the work developing a Future Accommodation Model (FAM) are not sufficiently aligned.²⁹ The purpose of FAM is to give service personnel greater choice and flexibility over their accommodation, and allow them to access the wider housing market.³⁰ The Department is piloting FAM over three years starting in late 2018, which will help it understand what alternatives are attractive to service personnel, and therefore how much service family accommodation it needs. It argued that a final decision on the FAM did not need to be resolved ahead of the outcome of the Annington negotiations, but would be informed by it. Nevertheless, the Permanent Secretary accepted considerable management skill would be needed to ensure they were coordinated.³¹

18. The Department's estate rationalisation plans aim to provide 15,000 housing units toward the government's housing target by 2020, and enable it to dispose of 25% of its estate by 2040. These plans are extremely challenging as many of the disposals, repositioning of essential facilities and personnel moves are interdependent. Nevertheless, we consider the wider estate rationalisation plans present opportunities during the Annington negotiations to consider how other land within the estate could be used to help accumulate realistic areas of land to develop a number of affordable houses.³²

19. The Department recently delegated the budget for estates to the frontline commands again.³³ We pointed out that delegation had previously proven disastrous because commanders on the ground did not have the necessary knowledge of how to manage the estate and housing, and they had made poor decisions. The Department told us it is confident that the Defence Infrastructure Organisation (DIO) was now able to provide support and expertise to frontline commands which will enable them to make informed decisions. Nevertheless, it agreed that repeating past problems was a very real concern and, under the Department's delegated model, a variety of controls were being established, including quarterly reviews of the infrastructure delegation process.³⁴

28 Q 136

29 [C&AG's Report](#), paras 4.10–4.11

30 Q 149

31 Qq 149, 152–153

32 Q 131

33 Q 132

34 Qq 132–135

3 Providing high quality and affordable homes

Meeting the expectations of service personnel

20. In addition to the Annington deal, the Department has a number of other challenges with service housing. Many service personnel have for some time been dissatisfied with the performance of the Department's contractor CarillionAmey, which is responsible for maintaining their homes. In July 2016, we reported that CarillionAmey, a partnership between Carillion plc and Amey plc, had badly let down service families.³⁵ In March 2017, we reported there had been some improvement in the quality of maintenance but families were still unclear as to what service levels they could expect.³⁶ In January 2018, new concerns arose when Carillion plc was liquidated. The Department told us that the liquidator and Amey plc were currently fulfilling the contract and that it expected Amey plc to take it over completely in the near future for its remaining life.³⁷

21. The Department wants its service family accommodation to meet or exceed the government's Decent Homes Standard. It told us that the quality of its occupied properties is universally above the decent homes standard, generally well above.³⁸ It also told us it works closely with service family federations and aims to set suitable response times to resolve maintenance problem.³⁹ Despite this, the level of satisfaction with the standard of accommodation among service personnel has remained at around 50% for some years, and Members of Parliament continue to receive a significant number of complaints from service families about the quality of their accommodation.⁴⁰

22. The Department told us that satisfaction levels reflect a wider range of estate-related issues than just the Decent Homes Standard, which covers aspects such as the standard of the kitchen, bathroom, basic physical structure, heating and/or insulation. Satisfaction ratings also reflect levels of rent paid and the quality of repairs and maintenance.⁴¹ The Department agreed that having fewer complaints about housing raised with Members of Parliament was a valid objective, although we remain concerned as to whether the quality of service accommodation is sufficiently high a priority for the Department.⁴²

Providing affordable homes

23. Of the 18,500 properties that the Department has surrendered under the deal, Annington told us that almost all have been refurbished and sold to the general public, two thirds to first-time buyers and one third to service personnel.⁴³ It explained that the

35 Committee of Public Accounts, [Service family accommodation](#), Ninth Report of Session 2016–17, HC 77, 13 July 2016

36 Committee of Public Accounts, Forty–Seventh Report of Session 2016–17, [Delivering the defence estate](#), HC 888, 22 March 2017

37 Qq 102–103

38 Q 90

39 Q 95

40 Qq 91, 92; [C&AG's Report](#), para 3.6

41 Q 101

42 Q 163

43 Q 15

average selling price for the existing stock of properties is around £235,000, which given 80% of its property lies below the line of the Wash and the Severn, meant that in its view it was 'incredibly affordable'.⁴⁴

24. Annington gave us some positive commitments to help first-time buyers by selling and renting out surplus accommodation at affordable prices. It told us it is moving into the general rented sector, and is open to the idea of turning some of the former service family properties into rental properties if they are in the right location, of the right type and remained affordable.⁴⁵ Annington defined affordable as property that people on an average salary—in the region of £28,000—could afford on a monthly basis. This equates to being in the region of between £600 and £900 a month.⁴⁶ We asked Annington if the commitment to affordable rents also applied to new build properties such as at Brize Norton, where Annington is building 135 properties on sites it had received back. It told us that was its objective.⁴⁷ Annington also assured us that it had no intention of building luxury homes at high rents near to the Department's sites in an attempt to increase average rents, and then use this as a negotiating tool.⁴⁸

25. Terra Firma told us that, as an investment manager, it thought Annington's plans made good sense in the current market. It explained that Annington is fully empowered to make decisions over affordability and that it fully endorses Annington's commitment to affordable housing. Terra Firma pointed out that this meant affordable family homes, as opposed to the multiple unit sector.⁴⁹ In 2017, Terra Firma raised £550 million of new equity when it refinanced the Annington portfolio. It told us that part of the reason for carrying out a refinancing was to develop the private rental business in Annington and this currently stood at around 1,500 homes. Terra Firma explained that in a small and undeveloped rentals market Annington is already in the top 10 or 12 rental businesses.⁵⁰

44 Q 62

45 Q 16

46 Q 18

47 Qq 37–40

48 Q 41

49 Q 45

50 Q 59

Formal minutes

Wednesday 4 July 2018

Members present:

Meg Hillier (in the Chair)

Chris Evans	Anne Marie Morris
Caroline Flint	Bridget Phillipson
Gillian Keegan	

Draft Report (*Ministry of Defence's contract with Annington Property Limited*), proposed by the Chair, brought up and read.

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

Paragraphs 1 to 25 read and agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

Summary agreed to.

Resolved, That the Report be the Fifty-third Report of the Committee to the House.

Ordered, That the Chair 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 Monday 9 July at 2.30pm]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Monday 14 May 2018

Question number

Justin King, Vice Chairman and Head of Portfolio Businesses, Terra Firma Capital Partners Ltd, **James Hopkins**, Chief Executive, and **Nick Vaughan**, Commercial Director, Annington Limited

[Q1–72](#)

Stephen Lovegrove CB, Permanent Secretary, **David Goldstone CBE**, Chief Operating Officer, **Catherine Little**, Director General Finance, Ministry of Defence and **Graham Dalton**, Chief Executive, Defence Infrastructure Organisation

[Q73–170](#)

Published correspondence

The following correspondence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

- 1 [Correspondence with Annington Homes, dated 8 May](#)

List of Reports from the Committee during the current session

All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2017–19

First Report	Tackling online VAT fraud and error	HC 312 (Cm 9549)
Second Report	Brexit and the future of Customs	HC 401 (Cm 9565)
Third Report	Hinkley Point C	HC 393 (Cm 9565)
Fourth Report	Clinical correspondence handling at NHS Shared Business Services	HC 396 (Cm 9575)
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