

STATEMENT BY THE GSLP/LIBERAL OPPOSITION No 95a /009

Opposition calls for forensic audit and quality guarantees in respect of Government projects.

Haymills' workers entitled to Transfer of Undertakings legislation protection

The Opposition has undertaken a detailed and thorough investigation of the problems affecting the construction of Bayview, Cumberland and Nelson's View which have been mismanaged by Government since inception. It has also considered the issues affecting the employees of Haymills who are employed on Government projects. The Opposition's view is that these projects have been mishandled by the Government from the start.

The initial decision by Mr Caruana to destroy the Rosia Tanks in the face of massive public opposition was wrong. Many of the problems now being experienced arise from that initial intransigence on the part of Mr Caruana. If the Nelson's View development had been built on another site without the difficulties that related to the destruction of the Tanks and the difficulties of building on that site, it is likely that Nelson's View would already have been handed over to the long-suffering purchasers.

Instead, all of Bay View, Nelson's View and Cumberland are now inordinately delayed and purchasers continue to suffer the consequences of Mr Caruana's intransigence.

The fact that Mr Holliday now says there will be no further delay carries little credibility given the many missed completion dates and broken promises in respect of these developments.

To make matters worse, there are now various reports in sectors of the media of mould, damp and inappropriate materials (both windows and flooring) used in the development. The Government has failed to adequately address the substance of these very reliable reports. The Opposition now further understand that despite the serious concerns of the build quality of the development in question, and Haymills Gibraltar's apparently long-running financial difficulties, Government have had, even before the collapse of Haymills, released to it the retention it held in respect of these projects. The Opposition understands this retention to have been in the region of 5%. Moreover, the GSLP/Liberal Opposition understands that Government was paying Haymills the additional sum of £50,000 per week. That amounts to £200,000 per month. Government should confirm if this was the case, when payments started, when the last payment was and what the payments were being used for, given that the company has collapsed anyway leaving a reported debt to suppliers of £1.5 million. This will leave the local suppliers to Haymills themselves now in financial difficulties.

It is now abundantly clear to everyone that the Government has failed to ensure that these Government affordable housing projects were run appropriately, built according to specification and delivered on time. This has caused the purchasers great hardship already to date and will now no doubt lumber the taxpayer with increased costs. **It therefore fundamental that there should be a full forensic audit of every single penny paid by the Government, whether to OEM or Haymills directly, in respect of these developments and where it has gone.** The liquidators of OEM and Haymills must reconcile the payments made by Government to each of these.

Moreover what Government cannot ignore is the position of the purchasers at the development at St. Peter's School. Although this is a private project, it is a project of 22 Gibraltarian families that have got together to build their own homes, and which Mr Holliday welcomed at the time. Government must therefore also intervene if necessary to help to ensure that this project is completed.

As for the Haymills workforce, given the collapse of Haymills announced yesterday, the workers who are employed on these Government developments by Haymills and the Trafalgar and Public Market projects are likely to be entitled to the benefits of the Transfer of Undertakings legislation, which specifically applies to the Crown, at least in respect of the completion of the projects. This would mean that they are entitled to have their terms and conditions of employment respected at least until the projects are completed.

It would be scandalous if the Government were seeking to create an exception to the protection of the Transfer of Undertakings legislation given to workers by asking them to waive their acquired rights and Haymills' terms and conditions as a condition of being employed by "Gibraltar General Construction Company Limited".

Government must also confirm that it is acting in compliance with the relevant Transfer of Undertaking legislation and case law.

Ends.