

**LEASE REPLY TO:**  
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Chairman  
Committee for Social Development  
Northern Ireland Assembly  
Room 284  
Parliament Buildings  
Stormont  
Belfast BT4 3XX

Wednesday 30 July 2014.

Dear Chairman

I acknowledge receipt of your letter dated 3 July 2014. I received this letter on the 22 July 2014.

The letter requests me to provide written evidence for your inquiry into allegations arising out of a BBC Northern Ireland Spotlight programme that was broadcast on the 3 July 2013.

I am pleased to respond to the letter and I acknowledge the Terms of Reference

1. *Decision making relating to the award, modification and cancellation of NIHE maintenance contracts to establish any impropriety or irregularity and, in particular, whether the actions of Minister were appropriate.*
2. *Allegations that the Committee was misled by the Minister for Social Development over his decision to seek a review of the specification for the supply and fitting of double glazing*
3. *The adequacy of actions proposed by the Minister, DSD and the NIHE to address previous, well documented failings in relation to procurement and contract management.*

And;

*Should the Committee identify any evidence of fraud or corruption in relation to the operation of NIHE maintenance contracts and / or any actions indicating possible breaches of relevant codes of conduct, these will be reported directly to the authorities.*

You have specifically asked me to provide a written briefing regarding strand (1) of the Terms of Reference. Meetings held with NIHE senior management and Minister McCausland.

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- The meeting with Mr Brian Rowntree, then Chairman of the NIHE, Mr Stewart Cuddy Acting Chief Executive and Dr John McPeake Director of Housing and & Regeneration and Acting Deputy Chief Executive was held in the Headquarter offices of NIHE. The matters raised were recorded by an officer of NIHE and a minute of the meeting produced. I was prompted to request the meeting due to media coverage of a possible loss of circa 400 jobs and the potential of the company Red Sky closing due to contractual difficulties with NIHE. You will understand the negative impact this would have caused in my constituency. Although a lot of the employees were my constituents many travelled from across the city and further afield. The effects would therefore have been felt in the wider Northern Ireland economy. In addition the prospective closure of the business premises would have blighted the area with little prospect of the site being developed. Neighbouring shops and SMEs also relied on the day to day trade of employees to sustain their business. Local trade suppliers also depended on business orders from Red Sky for their sustainability. Within the local economy it was apparent the knock on impact of Red Sky closing would at the least be worrying. I was convinced the benchmarked performance of Red Sky against NIHE established criteria was in line with what was expected for a company undertaking this type of work and compared favourably when put side by side with other firms. Indeed faults within NIHE information and recording systems and decision making were outlined as examples inhibiting Red Sky in the efficient fulfilment of contracts. The strong feelings of many employees who eventually expressed their mood through protest at NIHE offices and at Stormont convinced me of the need to support their case. For all of these reasons I believed it was my responsibility as an MLA to raise issues with the NIHE and seek explanations for employees and the company management. My party colleague Peter Robinson MLA and Sammy Douglas attended at my request.
- Regarding the meeting of 27 June 2011 held at Parliament Buildings between Minister McCausland, Minister for Social Development, and representatives of Red Sky this followed on from my written request to the Minister for a meeting. The meeting was arranged through the Minister's diary secretary. The company at that stage had taken action to appoint an Administrator. Red Sky senior management wanted to make the Minister aware of the very serious situation facing the company. They believed their company operating standards were in line with, or better

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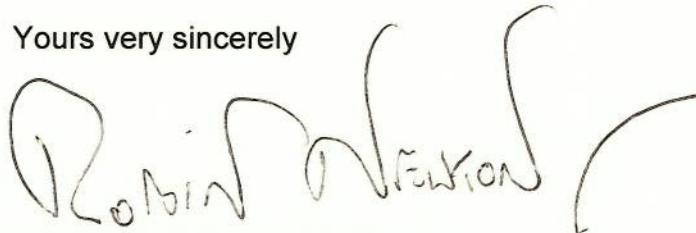


than, similar firms operating comparable NIHE contracts. I asked for an urgent meeting as it had become evident the company's business prospects and its overall ability to retain its core workforce were in jeopardy. This was due to the decision by the Board of the Northern Ireland Housing Executive to terminate the company's five contracts. The company had had three months notice of contract termination. These were response maintenance contracts that sustained a large % of the workforce in their day-to-day employment and obviously contributed to the overall financial performance of Red Sky. As an elected representative for the area in which the company had its headquarters it would have been remiss of me not to follow-up on requests from Red Sky senior management. This is what I believe responsible elected representatives do. I consider any MLA with the interests of their constituents and constituency at heart would have followed a similar course of action. Peter Robinson MLA and Sammy Douglas MLA were present at my request.

I trust this explains my actions in seeking the above two meetings and in looking for the support of my colleagues.

If you require any further information I am, of course, willing to respond to your request.

Yours very sincerely



**ROBIN NEWTON MBE, MLA**  
**ASSEMBLY MEMBER FOR EAST BELFAST**

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