



Remarks

by

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Minister of Public Works

Quango Operational Changes

January 29<sup>th</sup>, 2021

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Good Morning,

I am joined this morning by Major Dill, General Manager of the BHC, Mr. Mark Melo, CFO of BHC, Mr. Andrew Dias, General Manager of the West End Development Corporation, West End Development Corporation, Mr. Kent Bascome, CFO of Wedco and Mrs. Carmen Trott Port Facilities Manager at Wedco.

Thank you for joining me for an update on operational changes at three of the four Quangos that fall under the Ministry of Public Works – they being the Bermuda Land Development Company, the Bermuda Housing Corporation and the West End Development Corporation.

Before getting into the specifics of those changes – it is worth providing some background to the genesis of this entire project. A project that actually began on 16th July, 2002, when the Cabinet decided that the Central Policy Unit should complete a review of 17 Quango's which focused on the following objectives:

- 1. Determine whether Bermuda's Quangos as currently constructed are meeting Government's aims and if not recommend methods of achieving alignment;*
- 2. Determine whether there is accountability to the Government and if not, recommend an adequate structure to accomplish this; and*
- 3. Develop mechanisms for ongoing review.*

The scope of the review covered a wide range of topics covering the establishment and governance of each body; its existing relevance, feasibility, effectiveness, levels of accountability to Government, expenditure, income, whether the work could be more effectively (or more efficiently) carried out within Government proper; or by some other means;

Determine governance and best practice in other jurisdictions and to develop a mechanism for ongoing review.

All laudable goals – emanating from a report entitled ***“UNTANGLING BERMUDA'S QUANGOS - A review of Quangos in the Bermuda Government”*** presented in October 2003 and the subsequent Sage Commission Report presented a decade later in 2013.

This Government took the decision early in our administration to have another look at the reports and their recommendations with a view to actioning some of those items. Upon assuming this role – I asked the 3 Managers to meet on a regular basis to discuss ways we could merge operations utilizing the recommendations of the Quango Report as the basis for those discussions.

As a result the following decisions were made:

- On the 28<sup>th</sup> September 2018 a freeze on all new hires was issued to all 3 Quangos.
- Effective November 1, 2018, the BHC General Manager, Major Barrett Dill assumed management responsibility for the BLDC as interim CEO in addition to his responsibilities at BHC.
- Effective November 1, 2018 as well the BHC CFO, Mr. Mark Melo assumed financial responsibility for the BLDC in addition to his responsibilities at BHC.
- The BLDC Board remained intact and continued their work under the new management team.

The Ministry viewed these changes as an opportunity to immediately effect some cost savings by reducing duplication of roles, combining responsibilities and bringing a sharper focus to deliver on the governments mandate to control costs and operate more efficiently.

Now some 27 months later – it is time for further changes to enhance operations – and so today I am pleased to announce that Mr. Andrew Dias will assume responsibility as the interim CEO of the BLDC, effective Monday 1 February 2021. Mr. Dias will replace the current interim CEO, Major Barrett Dill, who was appointed just over two years ago. Major Dill will remain in his role as General Manager of the BHC – albeit he is scheduled to retire in June this year. We shall be shortly seeking a replacement General Manager for the Bermuda Housing Corporation.

Mr. Dias brings with him a wealth of knowledge and business acumen in leading projects – which should prove very beneficial in light of the Master Water and Sewage project that is well underway at the BLDC.

In light of the then CEO of BLDC retiring in October 2018, I wanted to make a few changes at the senior management level and considered the possibility of merging the quangos, or at the very least, looking at synergies and economies of scale that would reduce the resources and expenses required to operate these entities.

It was determined that the close alignments of the BHC and the BLDC would permit one person to oversee the management of both entities. And so, we decided to ask the General Manager for the BHC, Major Barrett Dill, to assume the additional role as interim CEO of the BLDC.

After taking on the role, it was soon determined that the BLDC were several years behind with its Financial Audits. At that time, we also decided that the CFO of the BHC, Mr. Mark Melo, would accompany Major Dill to the BLDC to tackle the backlog of audits. As was mentioned last December in the House of Assembly, within 18 months, the two gentlemen pulled off the mammoth task of completing seven years of audits – with the 2019 and 2020 audits currently well underway.

Also during their tenure at BLDC they:

- Launched phase 1 of the East End Infrastructure Improvement plan;
- Arranged financing to start the process;
- Identified small and medium-sized businesses to begin the work;
- Demolished vacant and derelict buildings;
- Improved street lighting at Southside; and,
- Improved efficiencies by sharing the Human Resource, IT functions, and Facilities management between the two quangos.

Due to Bermuda not expecting to receive any cruise visits until possibly June / July 2021, the timing is right for WEDCO's General Manager, Mr. Andrew Dias, to be brought in to take on the responsibility without having any negative effect on the operation of Wedco.

Earlier this week, I met with BLDC and WEDCo staff and the respective BHC & BLDC Boards, to announce the leadership changes.

I reassured the teams that despite the economic downturn, this government is committed to ensuring persons remain employed.

Mr. Mark Melo will maintain financial oversight of the BLDC as he works to complete the remaining two audits.

In the absence of Mr. Dias, Wedco CFO, Mr. Kent Bascome and Port Facilities Manager Mrs. Carmen Tucker will assume leadership roles at WEDCo.

The change in leadership will be for six months – after which time we will review the status to determine next steps.

We view these changes as the best solution to addressing the current situation without the added expense of hiring new staff and shall monitor the progress and make any necessary adjustments as the need arises.

I would like to publicly thank Major Dill and Mr. Melo for agreeing to lead the BLDC team over the past few years and Mr. Dias for looking at the broader picture by agreeing to assume this new role for the next 6 months.

Thank you.