Introduction

Robertson is pleased to provide a response to the recent call for evidence from The Scottish Parliament Finance Committee regarding the role of the Scottish Futures Trust (SFT).

Robertson is one of the UK’s largest privately owned businesses operating in the infrastructure, construction, development, investment and support services sectors. In the year to March 2015, the business turnover was £288m. The business employs over 1600 employees in 18 operational companies. The company is headquartered in Scotland.

Historically, Robertson has successfully placed itself at the forefront of UK and Scottish Government procurement initiatives, including PFI, PPP and NPD programmes. This has allowed the business to work in partnership with many public sector clients on a range of innovative projects from single site healthcare facilities through to complex multi-client, multiple site projects. SFT’s role is to shape and evolve future working arrangements between the public and private sectors and secure the best terms for such engagement.

Robertson is well placed to deliver comment on the SFT’s role as a result of its position on all three of the SFT’s current build programmes – National Housing Trust (Robertson has delivered 69 new homes under this initiative), hub (Robertson is lead Private Sector Development Partner – PSDP - on the £500m hub East Central Territory); and the Non Profit Distributing programme (Robertson led the successful consortium on Scotland’s first health NPD and is currently bidding for the £60m Orkney Hospital NPD).

1. Securing additional investment

- It is clear the SFT has a pivotal role securing additional investment through the further development of existing procurement initiatives such as NPD and the introduction of new initiative’s such as hub, NHT, TIF and low carbon programmes.
- These initiatives provide the opportunity to create a continually developing relationship and understanding between the public and private sectors in areas of need in an environment where capital spending is constrained.
- The focus has been to encourage the private sector to provide funding for public sector projects and in the case of NHT the availability of land and partnering for social housing developments.
- The use of revenue funding in particular has allowed a substantially larger programme of work than would have been achievable under a restrained capital budget.
• The SFT have created an environment where Scotland is an attractive marketplace for long term investment through the provision of a pipeline of opportunities and simplified contractual arrangements with effective public/private sector risk sharing.

• Funding markets have changed significantly in recent years and the experience and understanding gained by SFT staff of these changes makes them well placed to identify how best to access these. In the process ensuring that the Scottish governments covenant strength is used to ensure the most efficient and appropriate long term funding is secured.

2. Securing better value for money and improved public services

• SFT have established value for money at the heart of public sector procurement, recognising that the focus for successful long term asset delivery should not be measured on ‘cost’ but ‘value’.

• Thus, value becomes a measure of a Business Case which seeks to demonstrate what the benefits of procuring new public sector assets are – linking the initial cost of development to the long term improvement of local services.

• The creation of long term initiatives such as hub by SFT (a 20 year framework) affords a much better opportunity for the public and private sectors to work together. A better understanding of public sector accommodation and services needs by the private sector should allow improved value for money by matching building specifications to service needs at the earliest stages of procurement.

• SFT have stressed the need to ensure local economies benefit from investment, and in responding Robertson has created multiple opportunities for local supply chain partners at all levels.

• Lessons learned workshops and Scotland wide collaboration on education programmes have sought to develop standardised design and construction approaches to improve efficiency.

3. Fostering innovation to improve outcomes

• SFT included a range of service delivery models as part of the hub programme.

• Whilst the early focus on hub has been to deliver a substantial building programme, the long term opportunities provide the Hub partners with the opportunity to provide support to the public sector in a range of support services and avoiding requirement of having to resort to expensive third party consultancy services.

• hub East Central is working with a number of local participants and SFT to review current and future estates and service needs, looking to use public sector accommodation assets as part of the long term funding solution. This level of engagement is unprecedented and provides Robertson with the opportunity to develop an important skills set.

• The development of low carbon and TIF funding initiatives, whilst at the early stages, demonstrate SFT’s desire to develop further innovative ways in which
private sector capital can be secured to improve and regenerate the public sector estate.

- SFT have facilitated a number of workshops aimed at learning the lessons of previous procurements and maximising the potential for future outcomes by engaging with complex supply chains responsible for subsequent delivery.

4. Encouraging collaboration to improve efficiency

- An important ambition for the government is to maximise the interactions between health and social care teams, and by association provide greater transparency on service needs fostering a better private sector understanding of what solutions are required.
- SFT’s hub initiative provides a great opportunity for representatives from the NHS and Local Authorities to meet its PSDP and work on short, medium and long term asset planning needs. In the case of hub East Central we are currently progressing the £32m Stirling Care Village with a number of similar developments planned within the territory.
- There is evidence to support that reductions are being achieved in overall project delivery programmes for the date of OJEU publications through pre-qualification, bidding, contract finalisation and construction phases.
- SFT’s central role overseeing 5 hub Territories allows significant sharing of ideas across Scotland.

5. Securing better outcomes including job creation, training and apprenticeships, environmental sustainability, broader community benefits and digital connectivity

- The use of SFT’s contractual Key Performance Indicators (KPI’s) in particular has focused the private sector on both supporting and documenting efforts to its ability to use construction programmes to deliver substantial industry up-skilling.
- Robertson is highly active in developing an industry leading approach to community benefits, and SFT’s work with hub both supports and encourages the further development of our approach to this important aspects of project delivery.
- The workload generated though our involvement in NHT, hub and NPD has allowed Robertson to continue and increase its commitment to young people, apprenticeships and training across Scotland.
- Our role as a leader in our sector has also allowed the business to work with its full supply chain and provide sub-contractor training and development both as a result of our workload and our performance benchmarks.
6. Any other comments you might have on the SFT’s work towards achieving its key aims

- Robertson supports the SFT’s ground breaking work in developing and delivering a range of sector specific procurement initiatives.
- Whilst NHT was a clearly successful initiative, there still remains a major social/affordable housing shortfall, where new innovative funding solutions and a joined up national approach could speed up the delivery of such needs.
- Given the length of certain revenue financed procurements – typically 25 years – Robertson would remind SFT on its mission to work collaboratively with industry and take a forward looking approach to well performing mature contracts.
- Such early contracts have often been operational for in excess of 10 years and were signed under a different political and contractual environment. Robertson recognise and fully support the notion that such contracts will require to be reviewed to ensure they continue to represent value for money, and believe this is best achieved through a more joined up approach which respects the position of both public and private sectors and avoids creating tension in what are more often than not very successful partnerships.
- On occasion there may be circumstances where SFT is conflicted through its dual role as private sector shareholder in certain projects and its role as a public sector value for money champion – requiring a balanced and subjective approach.
- In a more general sense, as a major Scottish player and employer, we are focused on continuing to grow as a key supplier to the Scottish public sector, with the capability to compete effectively against both national and international competitors on both minor and major projects.
- As a final point, Robertson would highlight the significant and substantial work the company has in managing a portfolio of public sector accommodation projects as they progress through their concession phase. As those projects progress to maturity, Robertson is committed to maintaining the highest levels of facilities management and lifecycle replacement regime to ensure buildings which are handed back to the public sector are capable of delivering high quality services for years to come.