



hub East Central Scotland Performance Report 2015 -16



£490m
 value of hub
 projects across territory

CONSIDERATE
CONSTRUCTORS
40/50
 average score
 over 26 projects

in development
£208m

13
 Participants

1.082m
 Total population

4441
 Area covered
 (in m²)

work placements
176

in construction
£142m

£500m
 Total budget
 for the duration
 of the programme

5000
 Jobs created during
 the programme
 (estimated)

£45m
 Generated in the local
 economy each year

apprentices
186

open and
 operational
£140m

5
 year delivery
 plan

£1.6m
 hub enabling
 funds

£295k
 Tier 1
 rebates

Sub-contractor
 Support Outcomes
372



PROPORTION
 of contracts by value awarded to
SMEs
49%

hub
 projects
 in construction
supporting
 13,003 employees
 5,587 local residents

Chairman's Report



Ian Mullen

The last year has seen a period of significant growth for hub as a number of projects reached completion, delivering high quality buildings to meet the needs of their communities. This is supported by steadily increasing momentum as new projects continue to get underway.

Across the hub territory over £140 million of infrastructure is now open and operational, with £142 million currently under construction and a further £208 million of projects in development.

New primary schools in Perth and Crieff were formally opened at the start of the year. Brechin High School in Angus and Harris Academy in Dundee have

been successfully completed, as well as Levenmouth Academy in Fife and Timmergreens and Wardykes schools in Angus. All of them delivered on time and budget.

While we have delivered many new schools, this year has also seen the successful handover of two social housing projects in Tullibody, the new Museum and Art Gallery in Dunfermline, a new care home in Fife and refurbished wards at Falkirk Community Hospital.

The strategic development fund established by hub to support Participants in the development of new projects provided over £1.6 million to enable early strategic work to transform initial concepts into real project opportunities. This work makes possible community projects that

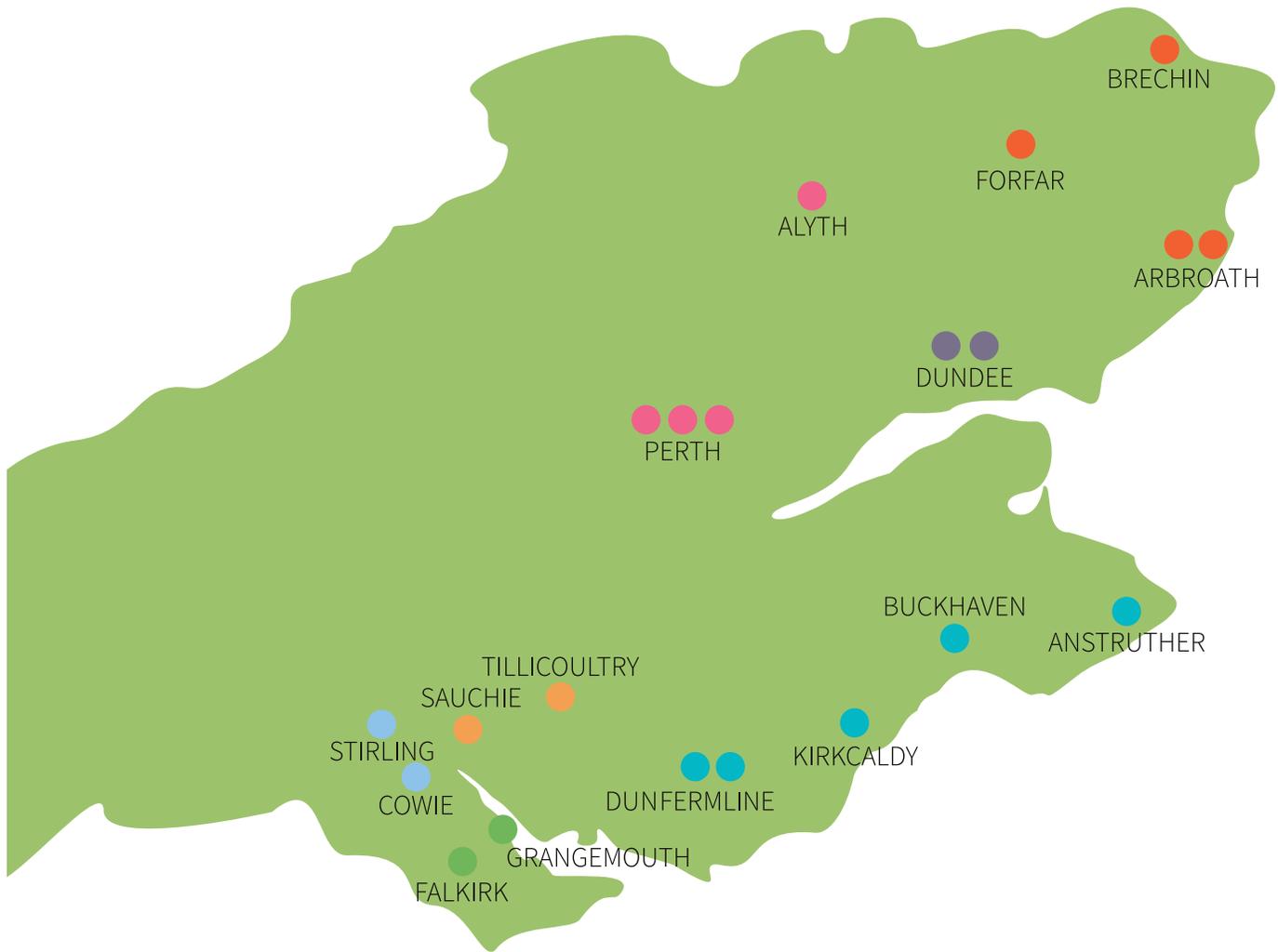
might otherwise have never reached development or would have taken considerably longer to realise.

Communities have realised significant benefits from hub projects as 43% of new project work is delivered by local residents and around half the total value of work is undertaken by local businesses. In the last year hub has doubled the targeted employment and skills outcomes in the region.

We look forward to continuing this successful momentum, working closely with our Participants to create more opportunities to use hub for the benefit of the communities that they serve, taking advantage of our expertise, innovation and resources to deliver high quality facilities at best value.

Highlights

Throughout the year hub East Central Scotland completed a range of major projects for the educational, health and cultural benefit of their communities:



A significant number of projects are under construction, including:

Project	Value	Start date	Handover
Levenmouth Academy	£42.5m	Dec 2014	July 2016
Harris Academy, Dundee	£31m	Oct 2013	May 2016
Fairfield Social Housing	£17m	July 2015	May 2016
Ann Street Social Housing	£2.1m	July 2015	May 2016
Brechin High School	£26.5m	Aug 2014	February 2016
Oakbank Primary School	£9.4m	May 2014	August 2015
Crieff Primary School	£9.6m	May 2014	August 2015
Ostlers Way Care home	£5.5m	June 2014	Oct 2015
Falkirk Community Hospital wards	£2.9m	Nov 2014	July 2015

Project	Value	Completion due
Timmergreens Primary School	£4.2m	July 2016
Wardykes Primary School	£5.6m	July 2016
Forfar Community Campus	£39m	February 2016
Dunfermline Museum and Art Gallery	£9m	October 2016
St Margaret's Primary School	£6.4m	August 2016
Alyth Primary School	£8.2m	August 2017
Baldrigon Academy	£28.7m	February 2018
St Ninians Primary School		October 2016
The Waid	£22m	August 2017
Carrongrange School	£17.5m	August 2017
Perth Theatre	£16.6m	Sept 2017
Carnegie Primary School	£1.9 m	August 2016

Benefiting communities across the region

- hub delivers high quality sustainable facilities for all of the communities it serves
- hub creates jobs and training opportunities, involving local business, all of which is managed through the local supply chain
- 1086 targeted employment skills outcomes
- 90% of total work packages had at least one SME/TSO
- £86 million of work awarded was undertaken by SME/TSO's within the territory
- 43% of new project work was delivered by local residents
- Consistently high "Considerate Constructors" scores



Supporting local businesses

We support local SMEs and the Third Sector by including measures in the procurement approach which promote their involvement, creating as many opportunities as possible for them.

We will continue to build on the success which last year saw £86 million of work undertaken by local companies.

Our Tier 1 contractors undertake regular supplier days, as well as assisting with tender submission skills and business planning advice workshops.

hub is committed to working with companies who are suppliers on the Scottish Government's supported businesses framework, including Haven PTS in Larbert, Matrix in Fife and Dovetail Enterprises in Dundee.

Minor Works Projects

Throughout the year hub completed a number of significant minor works projects for Participants:

Falkirk Community Hospital

A £1.9 million refurbishment of Wards 18 and 19 to create the Woodlands Resource Centre which provides mental health day care and associated facilities.

Falkirk Community Hospital

A £1.0 million refurbishment of Ward 1 to provide a community in-patient ward.

Forth Valley Royal Hospital Car Park

A major extension to the car park at Forth Valley Royal Hospital.

Scottish Fire and Rescue Service Asset Resource Centre

Refurbishment of a large industrial unit to be used for vehicle fleet maintenance.

Scottish Fire & Rescue Generator replacement

Replace existing generators and dispose of old equipment at Kingsway Fire Station in Dundee.



Adding Value with Tier 1 Rebates

Above and right: Falkirk Community Hospital
Below: Scottish Fire and Rescue Service Asset Resource Centre



In 2015 hub returned over £218,000 of rebates to Participants through T1 contractors, generated through a volume discount arrangement, which is a significant increase on the previous year, which saw £77,000 returned.

The initiative was established as part of the original T1 Contractors Supply Chain Agreement, where the contractor provides annual rebates to Participants when their individual turnover exceeds £20m per annum, adding significant value through the procurement supply chain.

Funding innovation

Last year hub East Central Scotland invested £1.6 million into its strategic development programme to support Participants in the creation of new projects.

The fund enables the vital early strategic work required to take projects from initial concepts to real project opportunities that will ultimately create sustainable high-quality facilities, meeting the needs of the communities they serve.

Funding was allocated to a number of Participant projects across the region that will support the creation of new schools, community hubs and cultural venues, including:

- Cowie Community hub/regeneration for Stirling Council
- Strategic Service review and masterplanning for NHS Forth Valley
- School Estate Planning for Angus Council, Fife Council and Perth & Kinross Council
- Strategic Estate Planning for Falkirk Council
- Settlement review for Clackmannanshire Council
- Health Centre Feasibility Studies for NHS Fife
- Community Feasibility studies for Stirling Council
- District Heating and Solar PV Feasibility Studies



Crieff and Oakbank Primary Schools



hub East Central Scotland delivered two brand new primary schools in a £20 million project for Perth and Kinross Council

Crieff Primary School (above) was built on a greenfield site on Broich Road, adjacent to Strathearn Community Campus. The building was constructed on two storeys and boasts a contemporary flat roof design, together with an integrated nursery, a gymnasium, sports pitches, a multi use games area and playground. Biomass boilers have been installed for heat and hot water, reducing the carbon footprint of the new school.

Oakbank Primary School (below) was built on the playing fields of the original school, which allowed pupils to continue lessons in their classrooms throughout building phase. Once complete, the original school was demolished to create new all weather pitches.

Both schools were built by BAM Construction to the highest standards, incorporating the most modern design values. The project is a major education initiative, which was delivered on time and on budget by hub East Central Scotland, providing best value for the community.



- Work placements – 23
139% of target
- Apprenticeships - 20
125% of target
- 308 local employees
(21.5%)



Ostlers Way Care Home



hub East Central Scotland worked with Fife Council to deliver a new 60 bed care home that is an integral part of the larger Care Village in Kirkcaldy.

The new Care Home is a two-storey timber kit structure, containing 5 wings of living areas (12 bedrooms including separate day space / living room, pantry and associated dining room).

The facility also includes a day centre (with overnight bedroom), kitchen and separate Meals on Wheels kitchen.

The £5.5 million project was built by Robertson Construction and replaced two existing care homes, Raith Gates and Appin House on a greenfield site.

The building was specifically designed to meet the specialist needs of residents and incorporates large open spaces that make use of natural light.

Easily accessible secure outdoor garden areas that take into account the unique needs of dementia patients and provide important outdoor space for residents. Additional recreational space is provided by the resident's sun room located on the first floor.

Interior surfaces have been specially designed to reduce glare and the décor takes account of patients with visual impairments and dementia.



- Work placements – 5
125% of target
- Apprenticeships
(new starts, continuation and complete) – 13 433% of target
- 51% of employees within territory



Harris Academy



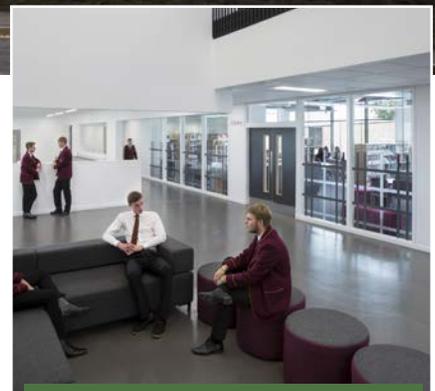
Harris Academy was handed over by hub East Central Scotland to Dundee Council in May 2016, ahead of schedule.

The new £31 million school replaced the original building, creating a new learning environment for 1200 pupils, with a recording studio and science hub. It also includes a number of community facilities including a games hall, swimming pool, badminton courts and a gym and dance hall.

The new school was designed to include a series of open spaces that are flexible and adaptable. This will create opportunities for different types of teaching methods and ways of learning, both formal and informal.

The new school includes 71 classrooms, a games hall, gymnasium, dance and fitness studio, 25m swimming pool, kitchen and training kitchen.

Externally, a feature courtyard with hard and soft landscaping areas was created along with a large car park.



- Work placements – 21
105% of target
- Apprenticeships – 19
119% of target
- 858 local employees
(55% of workforce)



Ann Street and Fairfield Social Housing



hub completed social housing developments in Tillicoultry and Sauchie for Clackmannanshire Council.

21 new 1 and 2 bedroom affordable bungalows and 2 bedroom cottage flats were built at Ann Street in Tillicoultry. The project is a joint development with Kingdom Housing association utilising regeneration funding.

A similar initiative was completed on the former Fairfield School site at Pompee Road in Sauchie. The development provides 19 affordable homes in a mixture of 1, 2 and 3 bedroom flats and houses.

Both projects were built by local contractor Marshall Construction, enhancing the provision of housing for the benefit of the local community.

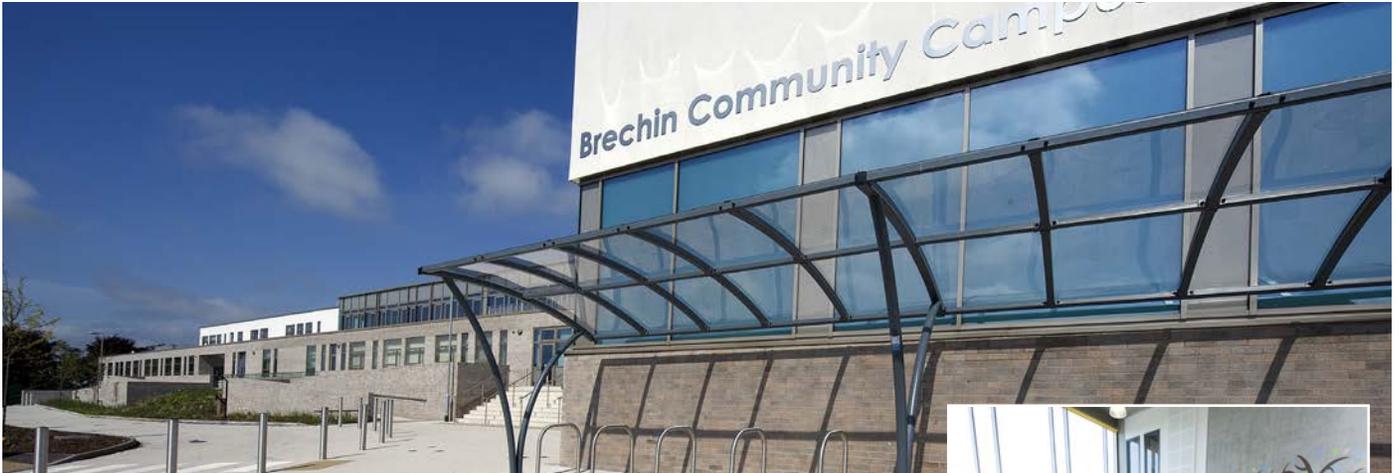
The Council's objective for these developments is to provide high quality low cost social rented housing as part of their strategy for the prevention and alleviation of homelessness.



- Work placements – 5
166% of target
- Apprenticeships – 2
100% of target
- 100% of employees within territory



Brechin Community Campus



The new Brechin High School was completed ahead of schedule for Angus Council in early 2016 and is the first phase of a £26.5 million project to replace the original school with a new community campus

Built by Robertson Construction, the school provides a high quality learning environment that has been purpose built to meet the needs of pupils.

The campus provides enhanced community leisure facilities, including swimming, health suite with sauna and steam room, climbing wall and gymnasium together with performance space and accommodation for adult learning and youth activities.

The second phase of the project, which is due to complete in October 2016, will see the demolition of the old school to create a new synthetic sports pitch and car parking.



- Work placements – 25
133% of target
- Apprenticeships – 17
106% of target
- 684 local employees
(41% of workforce)





Completed in summer of 2016 the new £42.5 million school in Fife will bring significant educational, economic and social benefits to the local community.

The new Levenmouth Academy was built on the grounds of the original Buckhaven High School, providing accommodation for up to 1800 pupils with safe, secure and well-designed academic spaces that are complemented by a variety of facilities for community wide use.

Facilities on the school campus include 2 grass football pitches, a grass rugby pitch, grass running track and a full size all weather pitch.

This project which is part of Fife Council's "Building Fife's Future Programme" had to overcome a number of site stability issues, with the remediation of mineworking to allow the facility to be constructed.

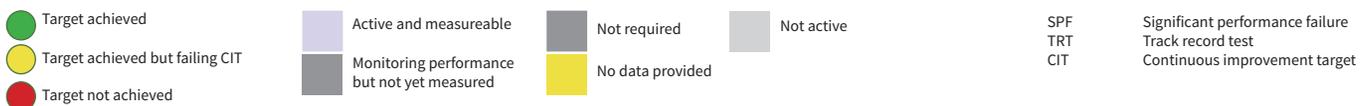


- Work placements – 24
96% of target
- Apprenticeships – 50
294% of target
- 560 locally employed
(40%)



KPI	Description	Hub Performance	SPF	TRT	CIT	Comment	Measurable Status
1 Health and Safety							
1	Reportable RIDDOR accidents in the hubco members and active Tier 1 Contractors	Business Wide Annualised AIR = 450				Total AIR is 450, which is less than SPF threshold of >715, and less than CIT target of <470.	Yes
1.2	Reportable RIDDOR accidents on hub projects	Hubco Project Annualised AIR = 0 (495 2015)				TRT Failure occurs at >610, CIT Failure at <400 0 RIDDOR Accidents (16 Projects in Construction)	Yes
1.3	Number of HSE enforcement notices	0 HSE Enforcement Notices				TRT Failure occurs at >610, CIT Failure at <400 0 RIDDOR Accidents (16 Projects in Construction)	Yes
2 Management Systems & Methodologies							
2.1	Establishment of Management Systems and Internal Audits	Business Wide Annualised AIR = 450				IMS Established	Yes
2.2	Compliance by hubco with the Initial Management Systems Procedures Manual	4% Non Conformances for the year.				SPF passed - requirement is <15% Non Conformances. CIT Passed: Requirement for 2015 is <8% Non Conformances	Yes
3 Programme							
3.1.1	Programme delivery for Stages 1 & 2 across all Hubco Projects	3 -year rolling variance Actual v Planned duration is 102% (excluding ring-fenced projects: CAHMS, Bridge of Earn, Forfar, Ostlers Way)				23 projects Complete to date (excluding Ring Fenced Projects). First year of measurement CIT set 105% for 2015. SPF Failure occurs >110%	Yes
3.1.2	Programme Delivery for Stages 1 & 2 for individual hubco projects.	1 complete project (Alyth Primary School) failed to achieve the required TRT. 7 complete projects achieved the required TRT Threshold in review period i.e. variance < 120% (excluding ring-fenced projects: CAHMS, Bridge of Earn, Forfar, Ostlers Way)				TRT amber due to Alyth PS failing requirement. 3-year rolling average variance planned v actual 102% > 100% CIT	Yes
3.1.3	Duration For Contract Finalisation / Financial Close	3 year Average FC Duration benchmark for projects in Construction 12.1 Wks				CIT for 2015 = 12.4 wks	Yes
3.2.1	Delivery against agreed Construction Programmes across all Hubco Projects	10 Projects completed over 3 year period. -1% Variance between planned V actual progress.				3 Projects Completed during Review Period	Yes
3.2.2	Delivery of agreed Construction Programmes for individual Hubco Projects.	All completed projects passed TRT				CIT 0% variance achieved	Yes
4 Cost / VFM							
4.1	Stage 2 Approvals	100% Stage 2 Submissions meeting Approval Criteria				TRT Failure where <100% meet Approval Criteria	Yes
4.2	Compliance with VFM Proposals	3% non-conformances on audited items within VFM method statement				TRT Failure where <90% non conformance CIT 2% improvement on previous year - target 100% by year 8	Yes
4.3	Whole Life Costs	Not in effect as yet				Measurement commenced upon DBFM Construction Completion	No
4.4	Reduction in average construction cost on comparable elements of projects	£18/m2 lower than target across the relevant elements				CIT 3% reduction from previous year	Yes
4.5	Reduction in Average Partnering Services Costs	Reduction in average Partnering Service Costs				Education: High School and Education: Primary School Passed. Residential Failed	Yes
5 Quality							
5.1	Design Quality	3-year average AEDET score 4.82 All Projects achieving average AEDET score ≥4.0				TRT failure when >15% of projects fail to meet target score CIT failure when >5% fail to score 4.0	Yes
5.2	Construction Quality	100% of projects achieved Defects Grade ≥ 8				TRT Failure when <95% of projects achieve < 8 or 1 any project <5 CIT failure if <100% of projects achieve <8 by year 5	Yes
5.3	Post Occupancy Quality	1 project completed post occupancy, scoring 4.91				TRT Failure when <95% of projects achieve a score of >/4 CIT 5% increase on 3 year rolling average	Yes
6 Partnering & Collaborative Working							
6.1	Effectiveness of input to TPB	Threshold for 2015 set at 80%. Average percentage score of Client Satisfaction Surveys is 76%.				SPF when hubco scores <80% KPI failed by 4%	Yes
6.2	Overall Satisfaction with Partnering Services	Threshold for 2015 set at 80%. Average percentage score of Client Satisfaction Surveys is 77%.				SPF when hubco scores <80% KPI failed by 3%	Yes
7 Community Engagement							
7.1	Compliance with community engagement proposals	Audits completed with 4% non-conformances (3 year average) - 0% in 2015				TRT passed but Year 3 CIT not achieved (4% non conformances; 5% improvement required (7% last year - target FOR 2015 was 2%))	Yes
7.2.1	Engagement with Participants and key local stakeholders	All of planned engagements as per PEP achieved				111% of the Planned Engagements were actually delivered	Yes
7.2.2	Considerate Constructor Score	Average CCS score is 40.2 (using 2015 score mapping). Failure occurs <32				TRT Failure at <32 CIT Requirement of >35	Yes
7.3	Satisfaction with the Community Engagement proposals	Threshold for 2015 set at 80%. Average percentage score of Client Satisfaction Surveys is 78%.				KPI failed by 2%	Yes

8 Community Benefits						
8.1.1	Targeted Employment and Skills training outcomes across all hubco projects	187% of targetted outcomes delivered on completed projects.				Measured on Completion of £100m Construction Work Yes
8.1.2	Targeted Employment and Skills training outcomes for each new project	9 Projects complete and passed TRT				187% of targetted outcomes delivered Yes
8.1.3	Proportion of total new project work delivered by local residents	50% (average across all completed projects) new project work delivered by local residents.				Benchmarked and CIT set at 50% for 2015 Yes
8.2.1	Work Packages with at least one Territory based SME/TSO's on tender List	Average for 9 completed projects 89%				TRT Failure <85% CIT target commences Year 5 - Target 95% Yes
8.2.2	Work delivered by SME's & TSO's per £100k of construction value	49% of work awarded to Territory Based SME/ TSO's for Completed Projects. Target is 53%				Benchmarked and CIT set at 53% for 2015 Yes
9 Sustainability						
9.1	Achievement of BREEAM Targets	4 Projects complete and achieving BREEAM target				Final BREEAM certificates to be issued. Additional 8 projects are all planned as a Pass, awaiting completion Yes
9.2.1	Volume of construction waste leaving the site per £100K of construction value.	Average of 4.09T Waste Per £100K leaving site for Completed Projects				Reduction is waste leaving the site from last year (4.32T) Yes
9.2.2	Construction waste going to landfill per £100K of construction value	Average of 2.99T waste going to landfill in 2015 - Oakbank PS scewing average upwards. Average of 0.83T Waste Going to Landfill for completed projects				Oakbank PS is the only project above threshold and it pushes the year above target. Yes
9.2.3	Reuse and Recycling of Construction Waste - Excluding Demolition & Excavation	Average 99% waste recycled excluding demolition & excavation waste on completed projects				CIT 0% variance achieved Yes
9.2.4	Reuse and Recycling of Construction Waste - Recycling Demolition & Excavation	Average 98% Demolition & Excavation Waste recycled				CIT 0% variance achieved Yes
9.2.5	Waste Management Plan	100% Projects have WMP at Stage 2 Submission				CIT 0% variance achieved Yes
9.2.6	Recycled Materials Content	16.9% average recycled material content on completed projects				CIT 0% variance achieved Yes
9.3	Energy Performance Certificate Rating	% CO2 Variance				All projects with final EPC ratings passing requirements Yes
10 Supply Chain Management						
10.1	Compliance with hubco OPS Supply Chain Management method statement	Audits completed with 5% non-conformances. Overall percentage score is 88%				TRT failure when <90% of the audit has no non conformance (5% NC) TRT failure when >5% non conformance (5% NC) Yes
10.2	Compliance with hubco PDPS Supply Chain Management method statement	Audits completed with 0% non-conformances. Overall percentage score is 91%				TRT failure when <90% of the audit has no non conformance (5% NC) TRT failure when >5% non conformance (5% NC) Yes
11	Overall Performance of New Project Delivery					2 TRT failures on completed projects during 2015. 2 over 3 year rolling period Failure occurs when more than 5 over 3 year rolling period or 3 in one year Yes
12 Strategic Support Partnering Services						
12.1	Predictability of Strategic Support Service Fees	0% Variance between estimated and actual SSS Fees				SPF TRT CIT Yes
12.2	Client Satisfaction with Strategic Support Services.	82% scored.				CIT requirement of 85% Yes



Key Performance Indicators - Annual Performance Report - Q1 2016 Assessment

hub East Central Scotland (hubco) has achieved 40 key project milestones in the last year. These are broken down as follows:

- 6 NPR Assessments
- 19 Stage Submissions
- 11 Financial Closes
- 4 Construction Completions

41 Key Performance Indicators (KPIs) currently measurable.

hubco confirms that this Annual Performance Report contains a review of each KPI, and that in the case of 41 current measurable KPIs, the required performance level has been achieved and the Track Record Test has been passed in all but 2 categories, which are as follows:

3.1.2: Programme Delivery for Stages 1 & 2 for individual hubco projects

Of the eight Projects that completed Stage 2, one project exceeded the agreed programme by more than 120%.

7.3: Satisfaction with the Community Engagement Proposals

Failure occurs at less than 80% on satisfaction surveys. The score for 2015 was 78%, resulting in a failure by 2%. hubco would recommend to the Territory Partnering Board that the key performance indicators and the continuous improvement measures remain the most appropriate measure of hubco's performance of services.

Table 1 identifies the current status of each of the KPIs measured against the requirements of Section 3 (Performance Report) of Schedule Part 3 of the TPA for 2015.

A traffic light system has been used to indicate performance against current targets.



hub East Central Scotland Performance Report 2015 -16



SCOTTISH
FIRE AND RESCUE SERVICE
Working together for a safer Scotland



POLICE
SCOTLAND
Keeping people safe