

hub East Central Scotland

Performance Report 2018-19



£696m

VALUE OF
HUB PROJECTS

£193m

IN DEVELOPMENT

£72m

IN CONSTRUCTION

£431m

OPEN AND
OPERATIONAL

WORK
PLACEMENTS
399

JOBS CREATED
246

TRAINING
PLANS
716

QUALIFYING
THE
WORKFORCE
476



Projects supporting
24,743 employees
of which 12,552
local residents

£3m
hub ENABLING
FUNDS

£851K
T1 rebates

910
CONSTRUCTION CAREERS
INFORMATION AND GUIDANCE
EVENTS

1501
TRAINING WEEKS ON SITE

174%
of skills and
employment targets
reached

50%
Territory
based SMEs

90%
NATIONAL SMEs

43/50



AVERAGE SCORE
OVER 40
PROJECTS

CHAIRMAN'S REPORT

Our seventh year of operations saw the continued successful delivery of high quality new infrastructure across the territory, that will benefit communities for many years to come.



IAN MULLEN
Chairman

Hub is recognised as the development partner of choice by our Participant partners. Our team works closely with them to provide invaluable strategic support and project expertise. During the year, we handed over almost £110 million of new infrastructure, including three new schools and two significant health projects.

The total value of hub projects has grown to £696 million, of which £431 million is now open and operational, with a further £72 million under construction and £193 million in development.

This strong performance reflects hub's value as a partner throughout each stage of the development process, from feasibility to design, implementation and successful delivery.

Our strategic development fund continues to support feasibility studies and the creation of initial concepts which are ultimately transformed into living buildings in the communities they serve. The initiative has provided over £3 million to date and without it many projects would never have moved beyond the conceptual stage.

Our operations deliver significant benefits to the community and we continue to exceed our targets for local skills, development and employment opportunities. In the year, hub projects created 399 work placements, created 246 jobs and achieved over 174% of target for employment and skills outcomes.

Our supply chain engagement programmes ensure that hub projects are accessible to local bidders. Around half of work on hub projects is undertaken by local SME's and our expertise in procurement resulted in a rebate of £155K to Participants this year, maintaining cost effective project delivery.

We continue to embrace new ideas and thinking that will benefit our Participants and the communities they serve. Our unique #placesforlearning programme helped education teams and schools develop new thinking and solutions to transform performance and learning. The series of education workshops for local authorities across the hub territory featured one of the UK's most influential academics in the field, Professor Stephen Heppel.

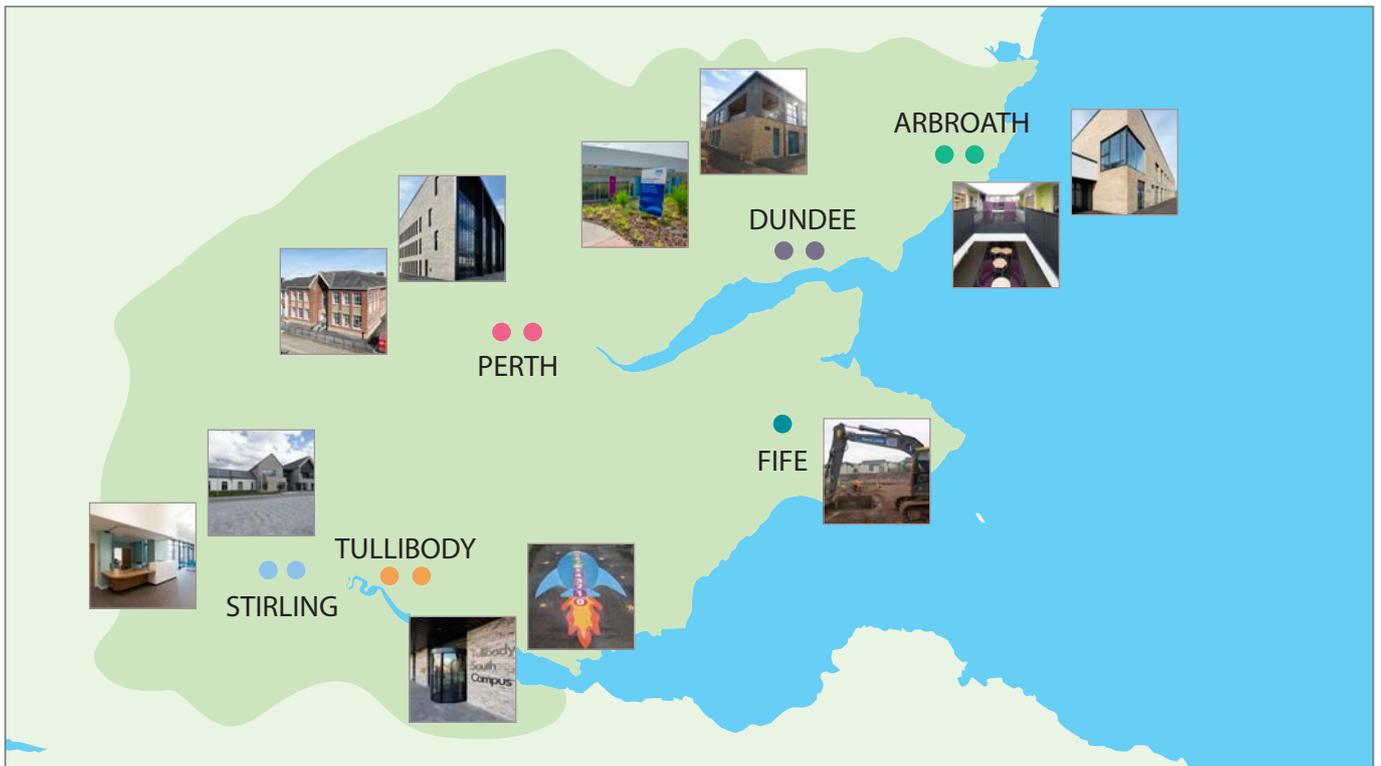
After reviewing funding arrangements for infrastructure, the Scottish Government no longer intends to use Design, Build, Finance and Maintain models. This does not impact our strong pipeline of projects, which is not dependent on revenue based programmes. We will continue to work closely with the Scottish Government and Scottish Futures Trust as they consider other mechanisms.

With 6 major projects under construction in education, health and cultural sectors and almost £200 million of projects in development, we look forward to continuing to deliver successful outcomes in the year ahead for the benefit of communities across the territory.



HIGHLIGHTS

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



Completed

Project	Value	Handover
Bertha Park School	£31.3m	July 2019
Stirling Health & Care Village	£34.9m	October 2019
Muirfield Primary School	£7.9m	December 2018
Ladyloan Primary School	£8m	December 2018
NHS Pharmaceutical Special Services	£25.8m	March 2019

Under construction

Project	Value	Completion due
Tullibody South Campus	£14.7m	August 19
Doune Health Centre	£1.7m	September 19
Hayshead & St Thomas Schools	£13m	December 19
Madras College	£38m	June 2021
Creative Exchange	£3.6m	September 19
Clackmannanshire Schools & Early Years	£5.5m	August 2020



BENEFITTING COMMUNITIES ACROSS THE REGION

Hub projects deliver significant local economic benefits across the region, creating employment opportunities, developing skills and supporting local businesses.

- 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
- Last year, hub achieved 174% of its targeted Employment skills outcomes
- 86% of total work packages had at least one SME/TSO
- To date £185 million of work awarded was undertaken by SME/TSO's within the territory
- 51% of new project work was delivered by local residents
- Consistently high "Considerate Constructor" scores (Average 43 out of 50)

SUPPORTING LOCAL BUSINESS

Hub's support for local SMEs and the Third Sector makes a significant contribution to local economic development 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 has seen £219 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. We continue to work with Haven PTS in Larbert, who supply clothing and signage, Matrix in Fife, providing soft furnishings and Dovetail Enterprises in Dundee, suppliers of manufactured joinery and furniture.





FUNDING INNOVATION

hub East Central Scotland's strategic development programme enables the vital early 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.

Last year almost £500K was invested in the strategic development programme to support Participants in the creation of new projects.

This important project development funding will ultimately support the successful completion of new schools, community hubs and cultural venues, including;

- NHS FV Primary Care transformation programme
- Falkirk Community Hospital
- Fife Learning Campus
- Places for Learning Events
- School estate feasibility studies across the territory
- NHS Fife Primary Care OBC Support

ADDING VALUE WITH TIER 1 REBATES

hub returned over £155,000 of rebates to Participants from T1 contractors, generated through a volume discount arrangement in the year.

The initiative is 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. The total value of T1 rebates to date is over £850,000.



TULLIBODY SOUTH CAMPUS, CLACKMANNANSHIRE



STIRLING HEALTH AND CARE VILLAGE

Stirling Health and Care Village, built in the grounds of Stirling Community Hospital, is a joint venture between Stirling Council, NHS Forth Valley, the Clackmannanshire and Stirling Integration Joint Board and the Scottish Ambulance Service.

The Village, build by Robertson Construction, supports the integration of local health and social care services, making it easier for staff to work together to deliver better co-ordinated, more joined up care to local people.

The initiative brings together a wide range of health and social services in two new purpose-built facilities – a Care Hub and a Primary and Urgent Care Centre. The Scottish Ambulance Service also moved their Stirling ambulance station into a purpose built new station and workshop on the site.

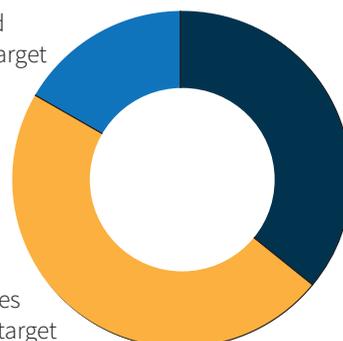
More than 100 beds have been created in the new Care Hub to provide short-term care, assessment or rehabilitation to older people who require additional support following an illness or operation. These services are provided in a comfortable, homely environment to help older people recover, regain their independence and, in the majority of cases, return to their own homes. The Care Hub also supports patients with dementia and those who need palliative or end of life care.

The new Primary and Urgent Care Centre, provides modern, spacious accommodation for a number of health services including Minor Injuries, X-ray facilities,



Jobs Created
8 - 133% of target

Upskilling
the Workforces
30 - 158% of target



Work placements
23 - 192% of target



BERTHA PARK SCHOOL

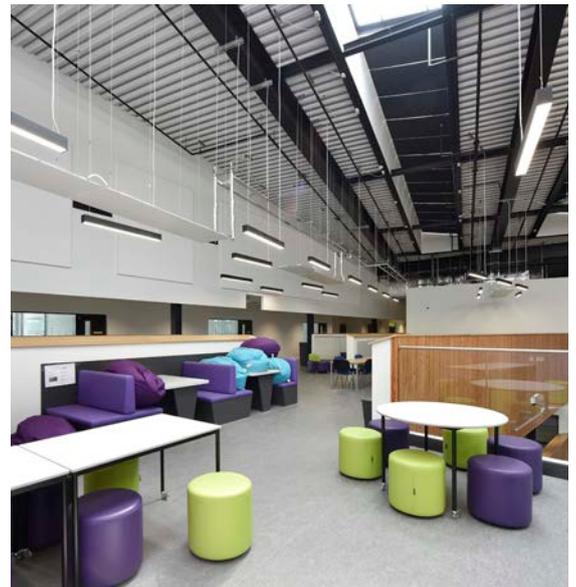
This £31.3 million initiative was delivered for Perth & Kinross Council, designed by NORR Architects and built by Robertson Construction.

The project is unique in that it is the first entirely new school to be built in Scotland for over 30 years and does not replace an existing building. As one of only 17 Microsoft Flagship Schools in the world, as it is the only one in the UK, it delivers a fully digitally enabled curriculum in the most contemporary learning environment.

Bertha Park's intrinsically sustainable, thermally efficient form delivers a 21st Century learning space that enhances the overall sense of community within the school and exploits the benefits of natural light and appropriate ventilation to improve the wellbeing of pupils and staff. The deconstruction of corridors removes any institutional feel. Well designed, bright spaces encourage social interaction for all age groups.

Classrooms are situated around a central amphitheatre with breakout spaces and dining areas, all which form a central open plan spine of the school. Pupils enjoy a fully equipped sports hall and gym, along with full sized grass and synthetic football pitches and an attached multi use games area.

The school benefits from the most advanced digitally enabled learning facilities, including green walls in every subject area to support creative development through technology. As a Microsoft Flagship school staff and pupils will learn from collaboration with other schools around the world, sharing innovation and best practice to make the school the best it can be.

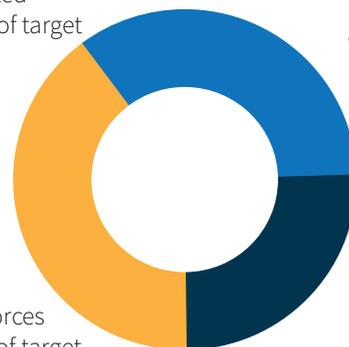


Bertha Park School

Jobs Created
27 - 225% of target

Workplacements
18 - 53% of target

Upskilling
the Workforces
31 - 119% of target





NHS SCOTLAND PHARMACEUTICAL ‘SPECIALS’ SERVICE

The £25.8 million NHS Scotland Pharmaceutical ‘Specials’ Service is a unique facility that manufactures medicines when available licensed medicines do not meet the specific needs of patients.

The two previous NHS Scotland manufacturing units based at Ninewells and the Western Infirmary Glasgow were amalgamated into the new purpose-built state-of-the-art facility in Dundee to create a single, national resource.

The centre will contribute to the care of NHS patients for the next 30 years and beyond, providing specialist medicines for a range of patients, including those who have swallowing difficulties, such as stroke patients and paediatric patients, specialist ointments and creams for dermatology patients and medicines for patients who cannot tolerate preservatives and other ingredients contained within licensed medicines.

The service will also provide support to Research & Development in NHS Scotland and Scottish Universities by providing medicines for use in clinical trials.

The facility was built by Robertson Construction and is fully compliant with the current standards demanded of pharmaceutical manufacturing facilities as well as allowing for future increased production capacity.

The project was recognised with a Silver award at the 2019 Partnership Awards, which recognise outstanding achievements in public-private partnerships.

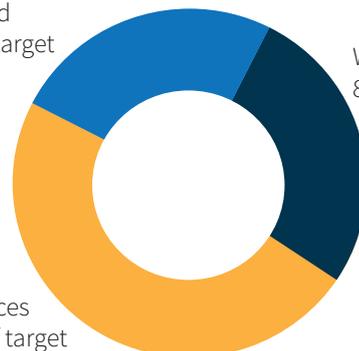


NHS Scotland Pharmaceutical ‘Specials’ Service

Jobs Created
7 - 350% of target

Workplacements
8 - 400% of target

Upskilling
the Workforces
13 - 130% of target





MUIRFIELD AND LADYLOAN SCHOOLS

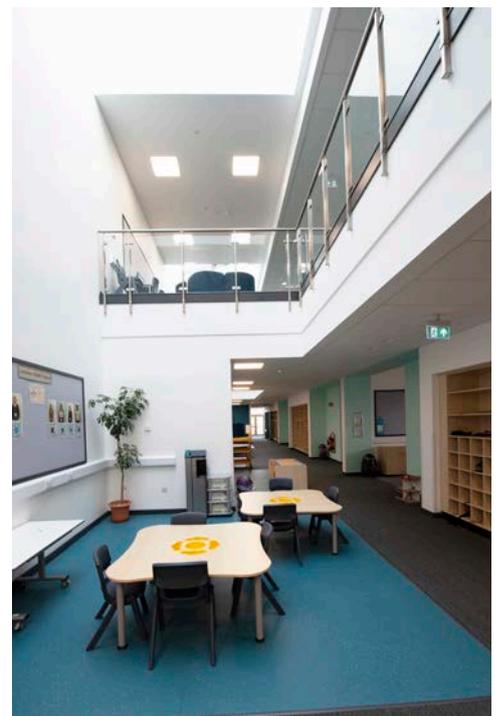
Two new primary schools were completed for Angus Council, in the second phase of the Angus Schools Project initiative under which hub East Central Scotland has previously delivered four schools in the last three years.

The £8 million Ladyloan Primary School was built on the site of the old school. Its two storey construction, which looks out onto the North Sea, comprises 11 classrooms, nursery and associates sports pitch, along with landscaping, ample car parking and drop-off facilities.

The school has capacity for 335 primary-aged pupils, 72 pre-school children and 35 staff, allowing for future increase in the school roll.

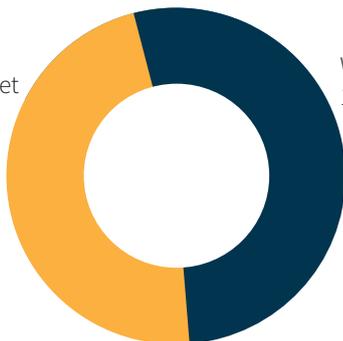
The £8 million Muirfield Primary School in Arbroath also built within the grounds of the old school with the same facilities and capacity as Ladyloan.

Both schools were built by Robertson Construction, comprising a structural steel frame and structural timber inner leaf. The old school buildings were demolished and replaced by sports pitches and parking facilities.



Muirfield and Ladyloan Schools

Jobs Created
15 - 125% of target



Work placements
18 - 100% of target

Tayside NHS Pharmaceuticals Services



Dunfermline Carnegie Library and Galleries



AWARDWINNING BUILDINGS

Once again, some of our buildings were recognised with national awards during the year.

Dunfermline Carnegie Library and Galleries received the SPACES Award for Civic Building of the Year along with the Heritage Award.

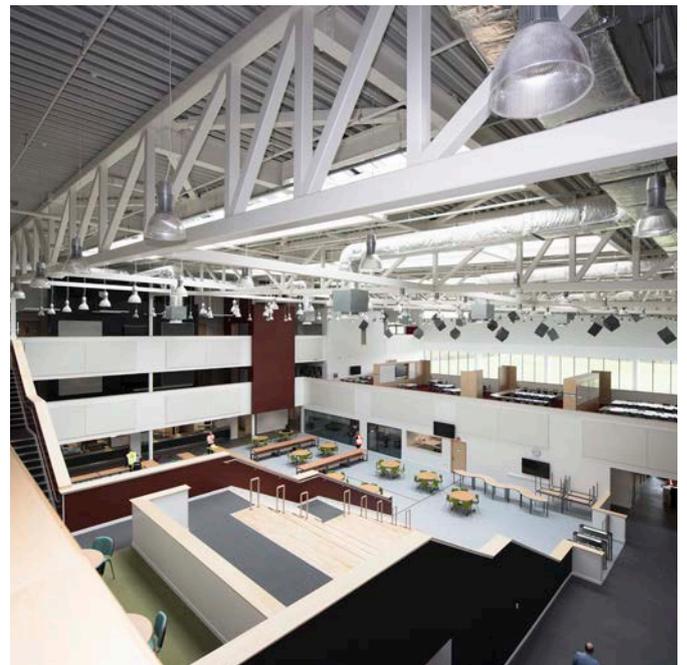
SPACES is the Society for Public Architecture, Construction, Engineering and Surveying and its awards are the only ones solely dedicated to rewarding excellence and innovation in construction projects delivered within the Public Sector. The awards are not purely about design but also recognise the importance the team play in delivering a project that meets the brief on time and budget.

The award followed some other prestigious recognition for this project. In the previous year it was named Best Building in Scotland by the Royal Incorporation of Architects Scotland. Designed by Richard Murphy Architects, the distinctive building has also been recognised with awards from the Edinburgh Architectural Association and RICS Scotland.

Tayside NHS Pharmaceuticals Services The £25.8 million NHS Scotland Pharmaceutical 'Specials' Service is a unique facility that manufactures medicines when available licensed medicines do not meet the specific needs of patients.

The project was recognised with a Silver award at the 2019 Partnership Awards, which recognise outstanding achievements in public-private partnerships.

Waid Community Campus (pictured opposite) was recognised as Project of the Year in the Building Education Scotland Awards.



The £21.5 million project is part of Fife Council's £250 million Building Fife's Future programme.

The new campus is much more than a school and brings together a number of community services under one roof. It includes access to Police Scotland, council services, a public library, along with community learning and sports facilities and classes supported by Fife College. The school provides a variety of types of modern learning and teaching spaces for up to 800 pupils, 54 teachers, as well as Community education and Community Learning development staff.

UNDER CONSTRUCTION





STRATEGIC PARTNERSHIP AND ENGAGEMENT

As a development partner hub works closely with Participants to provide strategic support and expertise to help them shape and deliver initiatives that will benefit communities for years to come.

As part of that partnership approach the team at hub shares advice and expertise in the early stages of Participant's strategic development planning.

Our teams engage with the supply chain on an ongoing basis and in conjunction with contractors, have supported a number of "Meet the Buyer" events around the territory. This gives local suppliers invaluable access, encouraging them to understand the bidding and evaluation process required to work on project delivery



PLACES FOR LEARNING

Attendances were high at unique series of education workshops for local authorities across the hub territory featuring one of the UK's most influential academics in the field, Professor Stephen Heppel.

The initiative was the brainchild of hub's strategic services team and part of its #placesforlearning programme to help education teams and schools develop new thinking and solutions to transform performance and learning.

The hub team delivered 6 workshops across the region with 5 local authorities. The events were also supported

by Space Strategies, Architecture and Design Scotland and Scottish Futures Trust. Over 50 pupils took part in the workshop sessions in Dundee and Clackmannan.

The initiatives supports the development of educational spaces beyond the boundaries of traditional schools and considers lifelong learning campuses and how to create the best possible environments for learning. Stephen Heppel's insight, expertise and enthusiasm at the events was a real catalyst for change, inspiring everyone who attended to look at learning in new ways that will benefit communities and help young people to reach their full potential.

KEY PERFORMANCE INDICATORS

2018-2019 End of Year KPI Assessment

KPI	Description	Hub Performance	SPF	TRT	CIT
1 Health and Safety					
1	Reportable RIDDOR accidents in the hubco members and active Tier 1 Contractors	- SPF target must be <715 - Annualised AIR reported by Tier 1 is 98	●		
1.1	Reportable RIDDOR accidents on hub projects	- TRT target is <610 and CIT target <400 - Annualised AIR on all hub projects is 393		●	●
1.2	Number of HSE enforcement notices	- Target for TRT is 1 and CIT 0 - 0 HSE enforcement notices on any hub project		●	●
2 Management Systems & Methodologies					
2.1	Establishment of Management Systems	- TRT failure >10% and SPF failure >15% non-conformances. - Not applicable during the reporting period	●	●	
3 Programme					
3.1.1	Delivery against agreed project development programme (Stages 1 and 2 of the New Project Approval Process)	SPF passed with an average duration of 104%. CIT failed due to target being set at <90%.	●	●	
3.2	Delivery against agreed project development programme on any single hubco project (Stage 1 of the New Project Approval Process)	SPF passed with individual projects being delivered in <120%. CIT failed due to target being set at <90%.		●	
3.3	Delivery against agreed project development programme on any single hubco project (Stage 2 of the New Project Approval process)	CIT achieved with duration of 8 weeks to pass.			●
3.4	Delivery from Stage 2 submission to Financial Close	SPF passed with an average duration of 102%. CIT requires programmes to be <93%.	●		●
3.5	Delivery against agreed construction phase programme identified in the Project Agreement (across all projects)	SPF passed with individual projects being delivered in <105%. CIT failed as target of <93% not achieved on all projects.			●
3.6	Delivery against agreed construction phase programme for any single hubco project identified in the territory delivery plan	- Failure occurs when any single hub construction phase programme exceeds 102.5% for CIT and 107.5% for TRT.		●	●
4 Value for Money					
4.1	Compliance with Value for Money (VfM) proposals	- TRT failure if >90% VfM items have not been carried out. - Not applicable during the reporting period		●	
4.2	Stage 1 predicted costs do not exceed NPR affordability	- CIT failure if Stage 1 affordability is in excess of NPR agreed affordability. Fife Early Years Bundle			●
4.3	Stage 2 predicted costs do not exceed Stage 1 maximum predicted costs	- CIT failure if Stage 2 affordability is in excess of Stage 1 maximum predicted costs - Menstrie EY			●
4.4	Stage 2 approvals	- Failure occurs if 100% of Stage 2 Rev 1 submissions is not achieved.		●	
5 Quality					
5.1	Design Quality	- TRT failure where >10% or CIT >5% of projects do not achieve AEDET or other design review. - Not applicable during the reporting period		●	●
5.2	Construction Quality	Defects: Failure if any defects are recorded at handover - Ongoing issues at Kinross PS. Snagging: failure if snags are not closed within the contract period - Alyth PS - alternative contractors engaged to address issues.		●	
5.3	Post Occupancy Quality	- Post occupancy surveys to be carried out on 100% of projects		●	
6 Partnering & Collaborative Working					
6.1	TPB and Participant Satisfaction	- Minimum scores must be met: CIT 85%, TRT no scores <5, SPF average minimum of 70%	●	●	●
7 Community Engagement					
7.1	Compliance with community engagement proposals included in Ongoing Partnering Services Method Statement	- Failure occurs when <90% are non-compliant. - Not applicable during reporting period		●	
7.2	Implementation of Community Engagement Plan	- Community engagement plan must be in place by Stage 1 submission date - Not applicable during reporting period			●
7.3	Considerate Constructor Score	- Average CCS score must not be less than 35 or 40 for a TRT/CIT pass - Average CCS across all hub projects is 43		●	●
8 Community Benefit - Jobs & Training					
8.1	Provision of employment and skills training outcomes across all hubco projects	- CIT failure occurs when >110% or SPF >100% of target are not met across all hub projects - hub projects exceeding targets.	●		●
8.2	Provision of employment and skills training outcomes across individual hubco projects	- Failure occurs if >115% CIT or >100% SPF is not met on individual hub projects - Hub project not achieving the targets has not yet reached practical completion	●		●
8.3	Proportion of total new project work delivered by local residents	- CIT requires 55% of hub project workforce to be locally employed - Target not met due to a project average of 39% being locally employed			●

KPI	Description	Hub Performance	SPF	TRT	CIT
9	Community Benefits - Local Business Improvement				
9.1	Percentage of Work Packages with at least one Territory based SME/TSO on tender list	- Percentage of tender work packages offered to territory based SME must be 85% TRT and 95% CIT - Average of current projects is 85%		●	●
9.2	Proportion of project work delivered by SME's	Local SME's: CIT target is 60% of construction value awarded to local SMEs. - 57% of construction value has been awarded by current construction projects			●
9.3	Number of work and/or service packages delivered by Supported Businesses, Third Sector Organisations or Social Enterprises	National SME's: CIT target is 25% of construction value awarded to national SMEs. - 34% of construction value has been awarded by current construction projects			●
10	Sustainability				
10.1	Sustainability BREEAM target	- Failure occurs when <95% for TRT or <97% for CIT projects do not meet or exceed BREEAM target		●	●
10.2	Environmental Awareness	- 100% of project specific targets to be delivered		●	
10.3	EPC Rating	-Any project failing to meet its NPR EPC target will result in a failure		●	
11	New Project Delivery				
11.1	Overall Performance of New Project Delivery	- SPF failure occurs in 5 TRT failures occur over a 3 year rolling period or if 3 TRT failures occur over 1 performance year	●		

	Target achieved		Active and measurable	SPF	Significant performance failure Track record test Continuous improvement target
	Target achieved but failing CIT		Monitoring performance but not yet measured	TRT	
	Target predominantly achieved		Not required	CIT	

Key Performance Indicators - Annual Performance Report - end of year review

Hub East Central Scotland (hubco) has achieved 35 key project milestones in the last year. These are broken down as follows:

- 4 NPR Assessments
- 14 Stage Submissions
- 9 Financial Close
- 8 Construction Completions

Hubco would recommend to the Territory Partnering Board that the key performance indicators remain the most appropriate measures of hubco's performance of services. 31 Key Performance Indicators (KPIs) are currently measurable.

Hubco confirms that this Annual Performance Report contains a review of each KPI, and in the case of the 31 measurable KPIs, the required performance level has been achieved and the Track Record Test has been passed in all but one category detailed below.

5.5 - Construction Quality

Failure occurs if there are defects at handover or the snagging is not closed out within the specified contract period. There were issues with defects at Kinross PS and snagging at Alyth PS in this regard which have resulted in a failure of this KPI. Additional measures have been put in place to avoid this reoccurring.

The Continuous Improvement Target has been achieved in 13 out of 20 categories, but there are 7 categories that require further attention:

4.2 - Stage 1 Predicted Costs Do Not Exceed NPR Affordability, with a 4% increase on Fife Council Early Years.

4.3 - Stage 2 Predicted Costs Do Not Exceed Stage 1 Maximum Predicted Costs, with a 9% increase on the Menstrie Early Years

6.1 - TPB and Participant Satisfaction score of 80% however CIT requirement is 85%.

8.2 - Provision of Employment and Skills Training Outcomes Across Individual hubco Projects achieving a target of 115%. Tullibody South at the time of measurement was 109%.

8.3 - Proportion of Total New Project Work Delivered by Local Residents has been challenging on our Health projects due to requirements for specialist subcontractors.

9.1 - Percentage of Work Packages with at least one territory based SME/TSO on Tender List needs is 85% against a target of 95%.

9.2 - Proportion of Project Work Delivered by Local SMEs is 57% against a target of 60%.



Clackmannanshire Council



Falkirk Council



PERTH & KINROSS COUNCIL



SCOTTISH FIRE AND RESCUE SERVICE
Working together for a safer Scotland



POLICE SCOTLAND
Keeping people safe
POILEAS ALBA