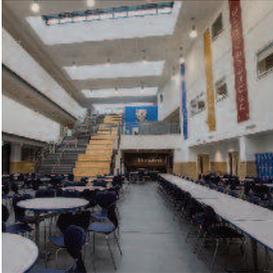


HUB SOUTH EAST SCOTLAND TERRITORY **ANNUAL REPORT**

2018 - 2019



hub
South East Scotland

Hub South East: Your Development Partner of Choice

Our achievements : 2010 onwards

VALUE OF **HUB PROJECTS**
IN SOUTH EAST SCOTLAND

£715m

£352m

OPEN and OPERATIONAL

£126m

IN CONSTRUCTION

£237m

IN DEVELOPMENT

397
NEW JOBS
created

PROPORTION
of CONSTRUCTION WORK
PACKAGES AWARDED to
SCOTTISH SMEs

84%

EDUCATIONAL SUPPORT



Site, School
and FE Visits

31,500⁺
persons

School and FE
Work Placements

4,300⁺
days



GRADUATE & TRAINING

471 New and existing
APPRENTICESHIP
and trainee places

129 Professional Employment
including **GRADUATES**

Figures correct at end April 2019

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You will see a QR code displayed on certain completed project pages in this document, taking you to virtual tours of the buildings. To see these, download a QR Code Reader onto your smartphone, open it and hold your device over the QR code so it's clearly visible within the screen. Your device should automatically scan this but on some you may have to press the button to snap a picture.



FOREWORD

2018-2019

Welcome to the 2018/19 Annual Report for the South East Territory, covering the reporting period April 2018 to March 2019.

In this, our ninth year in operation, we successfully delivered nine new or refurbished facilities across the Territory worth more than £92m. Each of these contributes to the achievement of Scottish Government National Performance Framework Objectives and takes us another step towards becoming our clients' Development Partner of Choice. There are now 73 modern, high quality health, community and educational facilities open and operational that have been delivered by Hub South East in partnership with clients in Edinburgh, the Lothians and the Scottish Borders.

With a programme value of more than £700m, there continues to be a good level of activity and, with each project, our partnership with clients is stronger. We continue to deliver real added value in relation to local community benefits, wider economic gain and value for money, all of which you can see demonstrated throughout this Annual Report.



Paul Brewer
Chair
Hub South East
Scotland Ltd



Alex McCrorie
Chair
South East Territory
Partnering Board

This year we successfully delivered three new learning facilities: the innovative West Calder High School; Newbattle Community Campus, Scotland's first Digital Centre for Excellence; and Wallyford Primary – one of the country's largest primary schools. All major investments for clients, it demonstrates the strength of the partnership that Hub South East was entrusted to deliver such key facilities.

Another testament to continued collaboration is handing over the 25th Rising Rolls school extension in Edinburgh - an excellent example of how Hub can add value by delivering flexible solutions in quicker timescales than traditional procurement, helping clients to tackle strategic objectives.

Leith Meanwhile, a small community regeneration project with big impact, highlights where we add value through strategic support. Hub South East was integral in the site selection, funding application and delivery, supporting collaboration between the Council, NHS, social enterprise and third sector.

We're encouraged by an increasing desire amongst public sector bodies to collaborate and share best practice. Recent discussions at the Territory Partnering Board (TPB) and our well attended Learning Conversation event have reflected this. It was positive to see senior representation from both East and West Lothian Councils on the debate panel. There's clearly an appetite for working together to generate better outcomes and both the TPB and Hub South East will ensure this is translated into action

We now have a strong base of evidence demonstrating the tangible benefits committed to in the Territory's strategic vision. We remain focused on wider economic impact and are proud that again this year we have realised a range of community benefits, meeting and exceeding targets in all areas. To date, we've supported 397 new jobs, 129 graduates and 471 new and existing apprentice/trainee places, as well as facilitating more than 4300 work placement days and 31,500 site, school and further education visits.

84% of the value of work packages on completed projects since 2010 have been awarded to Scottish SMEs. We have three Tier 1 contractors focussed on ensuring this level of support continues, making accessing Hub projects easy for small businesses. Collectively our three Tier 1s employ over 1400 people in Scotland. They have an average of 335 Scottish SMEs on their supply chain and have a turnover of £830m annually in Scotland. Using the economic multiplier for construction (stated in the Construction Scotland Industry Strategy 2019-22 as £2.94 for every £1 spend) collectively the business of these three Tier 1s drives £2.4bn of economic activity in Scotland.

As we work with a supply chain that reinvests so much back into the Scottish economy, we're building on the strengths of both the public and private sectors to maximise gain for our clients and the areas they serve. It's particularly encouraging to see the use of the Social Value Portal in evidencing this, for example with the Wallyford Primary project resulting in a £5.8m economic gain for the local area. Territory-wide we hope to use this tool more on future projects, proving that Hub South East projects are making a real difference locally.

Looking ahead, over the coming year we will handover the largest Hub project to date in Scotland, the East Lothian Community Hospital, as well as two revenue funded education projects in Edinburgh and the Scottish Borders and a number of smaller education and health facilities across the territory. Our strategic partnering service will continue to assist clients in identifying and developing new opportunities and we will further explore opportunities for joint working between clients, particularly in relation to helping them deliver the Learning Estate Strategy.

We would like to take this opportunity to thank all those organisations and individuals who contribute to the success of the Hub initiative in the South East Territory. It's a real collaborative effort and we look forward to continuing this strong partnership working in the coming year.

TERRITORY PROGRAMME DIRECTOR'S ANNUAL REPORT

In my last annual report I commented on the review of KPIs which was then underway. This has now been concluded for some time and a revised suite of KPIs was approved by the Hub South East Board and the February 2018 Territory Partnering Board (TPB). They are more relevant to clients' interests and more tightly defined where this was necessary.

Reporting for the twelve month period 1st April 2018 to 31st March 2019 is therefore against the revised set of KPIs.

I have examined the evidence held by Hub South East for its achievement across a wide range of KPIs and projects undertaken. **I can report that I am satisfied from the evidence submitted that Hub South East has met its KPI targets for the 2018/19 year**, with no Significant Performance Failures or Track Record Events. The performance section of this annual report (page 32) provides a more general overview against the KPIs.



Gordon Shirreff
*Territory Programme
Director*

ENABLING FUNDS

One of the most significant achievements in the past year has been the conversion of clients' working capital into an Enabling Fund. Establishing this required each client to approve a Supplemental Agreement to the Territory Partnering Agreement. Although this process took several months, I am pleased to report that all clients agreed to the conversion and the fund was set up in September 2018.

The Enabling Fund, as the term suggests, intends to provide funding support to potential projects which are at an early stage of development and where alternative sources of funding are not available. It funds activities such as feasibility studies, site surveys, project management and business case preparation. As a result, it is hoped that potential projects can be developed to the point where a decision to proceed or not can be made.

Clients are required to provide match funding to the extent of 33.33% of the funding received. In most circumstances, clients are required eventually to repay the Enabling Funds and in this way the value of the fund is maintained.

Already four projects have been approved to receive support:

- Scottish Borders Council – Proposed Care Village
- Scottish Borders Council/Police Scotland – Joint Review of Operational Facilities in Galashiels and Hawick
- City of Edinburgh Council – Currie High School
- East Lothian Council/ NHS Lothian – East Lothian Hospital Re-provision and Extra Care Housing

A number of these projects involve joint working across clients and therefore offer the opportunity for sharing knowledge across a number of organisations.

As part of the Currie High School project, City of Edinburgh Council wish to explore the possibility of designing the school to Passivhaus sustainability standards. This approach has not previously been taken in the design of schools in

Scotland and the work, funded by Enabling Funds, therefore represents an area where outcomes can be shared with other clients and territories across Scotland.

The Enabling Fund is an excellent example of an advantage of participation in Hub South East which is simply not available through alternative procurement routes.

EARLY YEARS

In last year's annual report, I commented on the Scottish Government's policy to provide 1140 hours of early years provision for each child and the potential for this to result in a significant number of small projects for Hub.

Unfortunately only a small number of early years projects have been procured through Hub. Whilst Hub remains ready to assist with project delivery as the Scottish Government's deadline of August 2020 approaches, it seems that the opportunity for collaboration on design and specification may have been lost.

FUTURE EDUCATION INVESTMENT

In November 2018 the Scottish Government announced a further wave of major investment in the school estate, the details of which are still being worked through with COSLA. There is still a large appetite amongst the South East local authorities for further schools investment, and with its positive reputation for delivering, this must represent a major potential for Hub South East. It is to be hoped that this investment will afford the opportunity for collaboration and resulting mutual benefit and I will be working with Hub and clients to, as far as possible, bring this about.

TPB

The Territory Partnering Board has worked well during 2018/19. Gradually the focus of Board meetings has switched from monitoring Hub's performance to a more strategic role of considering challenges that impact on clients and how Hub can assist in meeting these challenges. This approach has resulted in a number of presentations at recent meetings on topics as diverse as the Scottish

Government's "Place" agenda and the Edinburgh and South East Scotland City Region Deal. These, and other presentations, have frequently stimulated interesting discussions at TPBs.

POPULATION GROWTH

One of the major factors impacting on service provision in our territory, is population growth. Projections by the National Records of Scotland show that four of the five areas forecast to have the greatest increase in population in Scotland are in the South East territory. The greatest projected increase over the period 2016 to 2026 is in Midlothian (+13.5%), followed by East Lothian (+8.6%), City of Edinburgh (+7.7%) and West Lothian (+6.6%) - well above the Scottish average of +3.2%. Scottish Borders projected increase is +2.0%. No doubt it is the economic vibrancy, standard of living and employment opportunities which are attracting migration from other parts of Scotland.

The projections for the population increase of those aged over 75 is quite startling. Between 2016 and 2026 West Lothian (+46%) and Midlothian (+40.6%) have the greatest projected increases in Scotland. East Lothian (+34.6%) and Scottish Borders (+33.5%) are also well above the Scottish average of +27.3%.

These projected population increases inevitably place pressure on service provision and create a demand for a range of new community infrastructure projects at both ends of the age spectrum. These are the types of project Hub was established to provide. Population growth across the territory clearly represents a challenge for clients and an opportunity for Hub to work alongside them to develop innovative and affordable approaches to rising demand for services. Hub South East is already engaged with Scottish Borders and East Lothian Councils on developing solutions to meet the need for assisted living accommodation. Here again, through the TPB, we will be sharing ideas and findings with the other clients. This area also represents an opportunity for Hub to diversify its project pipeline away from any possible over reliance on schools and community health projects. Hub South East has concluded that it is in

this area, assisted living rather than more general social housing, that it has the most to offer.

COMMUNITY BENEFITS

Clients are becoming more sophisticated in what they look for in community benefits. Although the traditional types of community benefit, such as apprenticeships and new jobs created, remain important, there is a trend towards looking for lasting economic benefit. Alongside SFT, Hub South East is working with the Social Value Portal to quantify, across a wide range of measures, the benefit to communities of procuring projects through the Hub model.

At a TPB this year, Hub South East launched a community benefit statement personalised to an individual Council, with the intention that this be rolled out for each client. This approach, which is to be welcomed, recognises that clients, particularly local authorities, are specifically interested in, and their future procurement decisions may be influenced by, benefits which accrue to their respective communities.

SHARED FACILITIES

In December 2018, meetings were held in each of our local authority client areas with the local authority, relevant health board and other clients. The intention of these meetings, arranged by myself and Paul McGirk, was to identify opportunities for providing services from shared facilities. This is very much in accordance with the Scottish Government's policy that single use facilities should not be developed. These meetings proved to be extremely useful and a number of opportunities were identified where further engagement is required.

In conclusion, 2018/19 has again been a positive one for our territory. Our challenge for the year just begun is to demonstrate beyond doubt the benefits of the Hub model to clients and therefore further secure Hub South East's position as the development partner of choice. This will require continued and deeper cooperation between Hub, clients and SFT.

HUB SOUTH EAST CHIEF EXECUTIVE'S REPORT

We have many successes to be proud of in 2018/19. In total, during this 12 month reporting period from April 2018, our team has worked on the completion of developments totalling £92m, the start of construction of new facilities valued at more than £72m and the project development on qualifying projects valued at £237m.

In health, we continued the construction of Scotland's largest revenue funded Hub project – East Lothian Community Hospital. Based on feedback from the Outpatients Department, handed over in early 2018, when the remainder of the Hospital opens at the end of this year, it will live up to the promise of making a real difference to the residents of East Lothian.

We also completed a £1.3m community regeneration project in Leith – an excellent example of our Partnering Services capability from concept to delivery.



Paul McGirk
Chief Executive
Hub South East
Scotland Ltd



More than two thirds of the projects we've now delivered have been education related, touching the lives of more than 12,000 young people. In this reporting period, we handed over two revenue funded DBFM projects – the Newbattle Community Campus and West Calder High School - as well as the new Wallyford Primary School in East Lothian and a sixth year of Rising Rolls in Edinburgh.

Helping our clients deliver a modern learning estate which meets Scottish Government objectives, including quality, community use, rationalisation of estate, digital connectivity and sustainability, is a key driver. We recently held a Learning Conversation event (see page 41), looking at the challenges ahead and I'm encouraged at the desire between local authorities to work together territory-wide to explore ideas for future collaboration.

In 2018, alongside a number of project accolades (see page 42) we were delighted to be recognised as a team at the prestigious Partnerships Awards, winning **Gold** in the much-coveted international **Sponsor Developer of the Year category**. As well as highlighting productive working relationships with clients and the positive impact we're making on public private partnerships, one of the key features of the submission was demonstrating the wider economic gain and delivery of community benefits through Hub projects.

You can see on page 2 the impressive figures since our inception. In this reporting period alone we are proud to have awarded 85% of the value of work packages on completed jobs to SMEs. We supported more than 1300 days of work placements, as well as more than 7000 visits. 74 new jobs have been created within our supply chain to allow the delivery of Hub projects and 224 new and existing apprenticeship and trainee places have been supported.

Combining these community benefits with our success in developing and delivering projects, achieving value for money for clients (see page 44), and positive customer surveys, there is demonstrable evidence of how well we are performing in Hub South East. However, we're not resting on our laurels. We promote continuous improvement and

use feedback to change our processes, making them easier and quicker for clients.

There's been a concerted effort this year amongst the Hubs across Scotland to work more closely together, sharing best practice and jointly promoting the success of the programme. As we attend regular cross-Hub collaborative groups, it's clear that there's a very positive story to tell.

Finally, in relation to people, it's also been a busy year. Paul Brewer replaced Jo Elliot as Hub South East's Chair. Paul has a great deal of experience with both the public and private sector and is focussed on making partnerships work well, which aligns with our vision in Hub South East to be our clients' **Development Partner of Choice**. Through one to one meetings with clients and key Scottish Government contacts, together we're actively promoting the key benefits of the Hub programme.

We've also further strengthened the team since the last annual report was published. We now have a Process Co-ordinator in place, focussing on community benefits and the supply chain, as well as a two new Development Managers, and an additional Projects Director for developing and delivering projects.

We recently moved to a new office at 8 Melville Street and are looking forward with enthusiasm to a positive pipeline of work in the coming year, with exciting opportunities for innovation, including our first Passivhaus project (see page 30).

At time of writing, Scottish Government has just announced that it is reviewing the funding arrangements for infrastructure projects and this may impact on future DBFM schemes. Hub South East will work with SFT and our clients to adapt the model to align with whatever emerges.

Thank you to all those who have contributed to the achievements of 2018/19. It's the dedication and commitment of a collective group of team members, clients and supply chain partners that drives the success of Hub South East and we hope to continue strengthening these relationships in the coming year.



PROJECTS 2018/19

**£92m
COMPLETE**

**£126m
UNDER
CONSTRUCTION**

**£237m
IN DEVELOPMENT**



NEWBATTLE COMMUNITY CAMPUS

"I am so proud of the way that the new campus has come together. Huge amounts of consultation has resulted in something very special here. A key part of the success is the daily intergenerational working between community users and school students.

"In school we have tracked increased engagement and work with a range of pivotal partners delivering a truly motivating curriculum. Our technology as a Digital Centre of Excellence is fantastic."

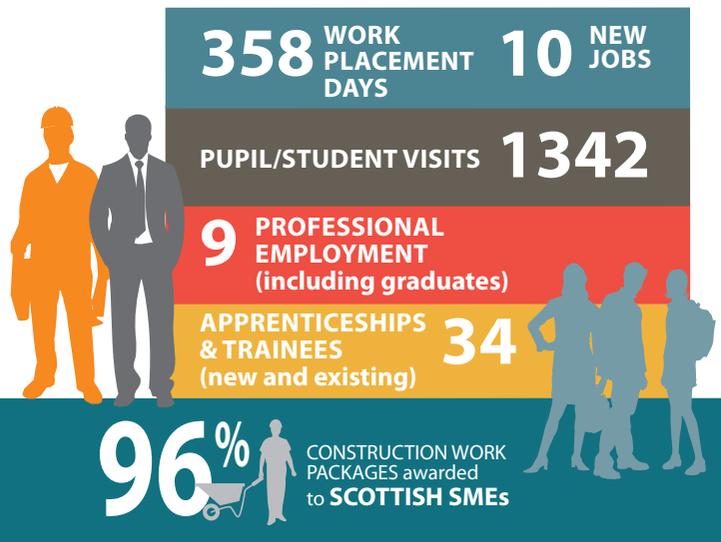
Gib McMillan, Head Teacher, Newbattle Community High School

Client	Midlothian Council
Value	£34.6m
Tier 1 Contractor	Morrison Construction
Completed	May 2018

The Newbattle Community Campus includes the new 1200 pupil Newbattle Community High School, as well as community facilities such as a library, café, swimming pool and sports facilities.

As well as the host of opportunities that this brand new facility affords its pupils and the local community, it has allowed Midlothian Council to continue its ambition to create a world-class education system by pioneering a new Digital Centre of Excellence.

In a unique partnership between Midlothian Council and the University of Edinburgh, the new High School has been designed as a world-class hub of innovation, aimed at transforming learning and teaching and equipping young people with the digital skills they will need to meet the growing global demand for high level, 21st century skills. It is the first of its kind in Scotland.





AWARD WINNING

Newbattle Community Campus scooped the award for Technologies: Transforming Learning, Teaching and the Curriculum at the 2018 Education Buildings Scotland Awards.

This win came at the end of the first day of the Education Buildings Scotland Conference in Edinburgh, bringing education built environment and policy professionals together from early years, schools, colleges and universities to celebrate the success of various projects and initiatives across the country, as well as discussing how a modern learning estate can play a vital part in ensuring young people reach their full potential.

Pupils and staff from the school were also involved in day two of the Conference, speaking about their experience during a session on new technologies and how they are transforming the approach to learning in the new building.

SUPPORTING LOCAL EMPLOYMENT

Ideally, community benefits are delivered as locally as possible and we're keen that businesses and individuals near to developments are afforded employment opportunities. At Newbattle, during construction there were a number of examples of this in action.

On site catering was awarded to Snax xpress, run by local Newtongrange couple Angie and John; Morrison Construction's Site Manager Clarke, and General Operatives, Sean and Ian, lived minutes from site; And Cameron, an apprentice from Bonnyrigg was employed by local sub-contractor G.Fitzsimmons and Son Steel Fabricators. As well as this, local Newbattle High pupil James Rogers-Jones was supported through University as part of the project. Read more on page 35.

WEST CALDER HIGH SCHOOL

Client	West Lothian Council
Value	£31.7m
Tier 1 Contractor	Morrison Construction
Completed	June 2018

“The design of the new school is truly inspiring, matching our desire as a local authority to transform the educational journey for our pupils. Working in partnership with Hub South East and its supply chain has been an extremely positive experience. Bringing together the best of public and private sector knowledge has helped develop and deliver a unique facility for staff, pupils and the local community – one which encourages innovative learning, providing the right platform for our young people to achieve their full potential.”

Dr Elaine Cook, Depute Chief Executive, West Lothian Council

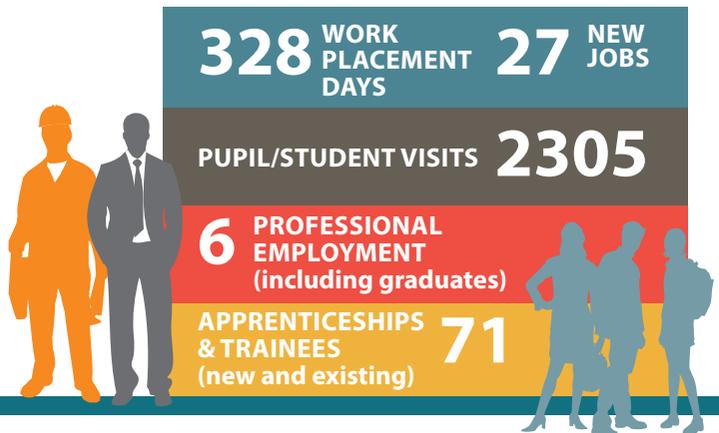
“The building comes alive when you have 700 young people working and learning there and the space also encourages the teachers to collaborate. The new building contributes to the positive learning experience.”

Julie Calder, Head Teacher, West Calder High School

The 1100 pupil new West Calder High School is West Lothian Council's largest ever single investment in education and includes a swimming pool, floodlit 3G sports pitch, and sports facilities for school and community use.

West Calder High School is at the cutting edge of education design in Scotland, matching the Council's desire to transform the educational journey for its pupils. Based on innovative teaching and learning methodologies, re-imagining how a new building can better support modern learner demands, the new school has been designed with the pupil experience at the core, as well as providing facilities accessible to the local community.

It delivers an inspiring internal learning environment within a dynamic external form and has received positive feedback, not only from its pupils and staff, but from educationalists throughout the country who have visited.





AWARD WINNING

Following on from the 2017 win for *Inspiring Learning Space* at the Education Building Scotland Awards, West Calder High School this year scooped another accolade – a Silver for **Best Social Infrastructure** project at the 2018 Partnership Awards in London.

Celebrating developments delivered by public private partnerships nationally and internationally, this win acknowledges the project as a true collaboration, with successful joint working resulting in the new school being delivered on time and within budget, whilst ensuring a wide range of local community benefits throughout.

SUPPORTING WORK PLACEMENTS

On this project, almost 100 work placement days, in addition to the target of 230, were delivered. We are keen to show that not all placements are about working on a building site – there's a great deal more to the industry. To this end we supported a one week placement in the Hub office for Emma Walker, a 6th year West Calder High pupil interested in events management. Emma worked with our Communications Manager to gain an insight into this area, as well as marketing, social media and publications.



“Not only have I had a great time on this work experience, meeting loads of great new people, but I also know that what I have learned will be incredibly relevant and useful to what I want to study. I am grateful for getting the chance to have had this placement and to be able to gain these experiences.”

RISING ROLLS

YEAR SIX

“We have been proactive in tackling the challenge of rising schools rolls for the past six years to ensure our pupils have the very best learning environment. This year five schools have benefitted from new classrooms, including our biggest single project of eight classes at Davidson’s Mains Primary School.

“The new buildings are a great example of how we have responded to accommodation issues by working with school communities to come up with suitable solutions. This Council has led the way in Scotland in taking such an innovative and collaborative approach to tackling the issue of rising rolls and invested significantly in the new accommodation delivered.”

CLlr Ian Perry, Education Convenor, City of Edinburgh Council

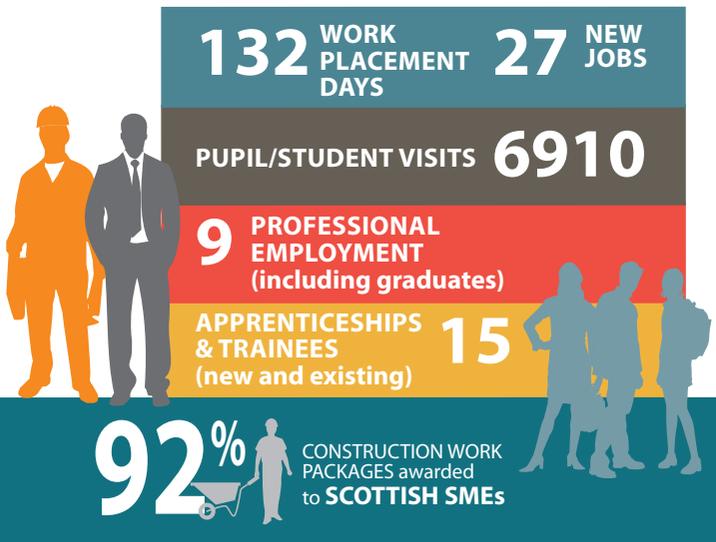
Client	City of Edinburgh Council
Value	£5.8m
Tier 1 Contractor	Morrison Construction
Completed	August 2018

In this reporting period, five more primary schools opened new classrooms in Edinburgh – at Currie, Davidson’s Mains, Granton, Stockbridge and Trinity Primary Schools.

This marked the 6th successful year of the Rising Rolls programme of school extensions, so far delivering more than £23m of new facilities so that increasing pupil numbers in the Capital can be accommodated in modern, long lasting buildings within school grounds.

Because the individual projects are small and built in extremely tight timescales, there tend to be no specific community benefits targets, but despite these not being formally measured, we still ensure that wherever possible, individuals and businesses can take advantage of the opportunities available from having live sites in their area.

Across the six years of working in partnership with the City of Edinburgh Council, we are particularly proud that 92% of completed work packages have been delivered by Scottish SMEs, further demonstrating our commitment to local businesses and reinvesting in the economy.





RISING ROLLS PROGRAMME

The Rising Rolls programme is an innovative solution to help tackle rising school numbers by developing, designing and constructing new classrooms in short timescales. These new school extensions are being built as long term solutions. This programme is an excellent example of Hub South East working with a client to develop creative, flexible solutions for service delivery issues.

The City of Edinburgh Council has a continual need for more classrooms in its primary schools as pupil numbers are ever increasing. However, the exact need each year is not known conclusively until the Council is aware of the uptake of spaces in any given school.

We provide a standardised approach to various class sizes that can be rolled out across multiple locations. Individual facilities can have their own identities that reflect the site, restrictions and user preference, but a standard palette of materials is used.

This allows a tight programme to be set in terms of design, development, approvals and construction, producing a quality, long term solution but with a quick turnaround – faster than would have been achieved procuring traditionally outside the Hub process.

LEITH MEANWHILE

In 2017, the City of Edinburgh Council was awarded £750k from Scottish Government's Regeneration Capital Grant Fund, which supports projects in disadvantaged areas that engage and involve local communities. With an additional £530,000 invested by the Council itself, the Leith Meanwhile project is a £1.3m investment in the regeneration of the heart of Leith, breathing new life into an old tram depot site.

Hub South East has been involved from the very start, proposing ideas for the development and helping the Council secure funding. This project is an excellent example of the Partnering Services we provide for clients and how this can be developed into operational projects.

The Leith Meanwhile project, whilst **small in budget** is **big in impact**. It's been a true collaborative effort and the various elements combine to deliver a community hub which is having a positive impact locally. The project comprised:

Client	City of Edinburgh Council
Value	£1.3m
Tier 1 Contractor	Morrison Construction
Completed	September 2018

- The refurbishment of C-Listed 165a Leith Walk – an at risk building – turning it into modern office space for Capital City Partnerships and NHS Lothian.
- The creation of workspaces in shipping containers providing much needed space for artists and other creative entrepreneurs.
- The creation of a community lead space from what was essentially a large piece of wasteland, into a bustling new hub for the community, by the community.

Leith Meanwhile is generating spend in the local economy and income for the local authority, whilst enhancing social cohesion and community wellbeing by acting as a focus for a wide range of activities in a new public space.

It's also enhancing the cultural value of the area, all whilst demonstrating environmental sustainability, bringing meaningful use to a previously neglected site.





SUPPORTING SOCIAL ENTERPRISE

The shipping containers, being used by local artists and entrepreneurs, were fitted out by Edinburgh based construction social enterprise, **Rebuild**.

Rebuild supports individuals with barriers to work such as ex-offenders, formerly homeless, sufferers of PTSD and other mental health difficulties. In Leith, five trainees were paid whilst they learned new skills on site.

We're incredibly proud to have supported Rebuild in its first live project. Knowing that the trainees have grown in skills, experience and confidence during their time on site and that four of the five are now in employment, is fantastic and is another example of how the project is creating a lasting legacy.

You can see a video made by Rebuild about what they do – filmed on site at Leith: <http://www.rebld.co/>



“The positive financial implications to the local economy made by supporting people with barriers to work are huge. For example; it is conservatively estimated that the savings made by keeping one individual with a history of offending out of the criminal justice system are around £50,000 per year, factoring in the cost to keep a person in prison along with social work, legal aid and numerous other associated expenses.

“We work with our trainees with the view to helping them change their path and learn new skills that will help them towards a brighter more prosperous future.”

Paul Hunter, Founder – Rebuild

WALLYFORD PRIMARY SCHOOL

“This is a really important occasion for Wallyford Primary School and the wider community.

“It’s been fascinating to watch the project develop from its initial stages through to successful handover. I’m especially pleased at the involvement that school staff and children have had throughout the construction process and the care that has been taken to take on board their views.

“The finished school provides an inspiring learning environment for staff and children that will continue to grow with the area.”

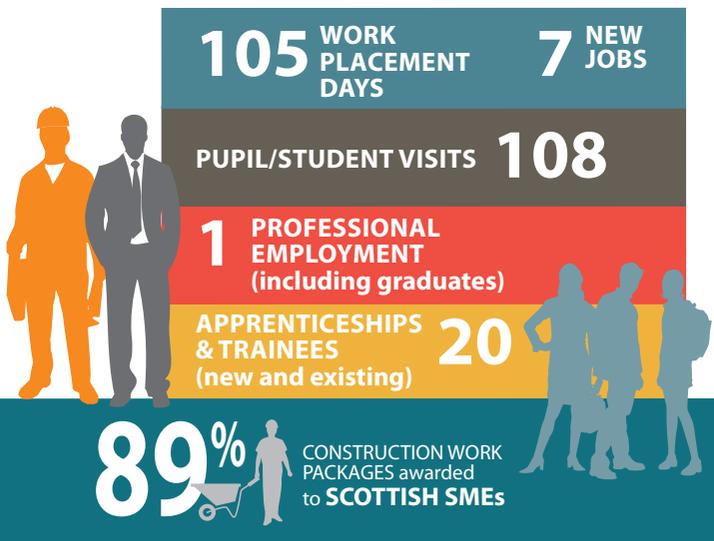
East Lothian Council Cabinet Spokesperson for Education,
Councillor Shamin Akhtar

Client	East Lothian Council
Value	£18.9m
Tier 1 Contractor	Morrison Construction
Completed	February 2019

The new Wallyford Primary School is one of the largest primary schools in Scotland.

The new school provides 28 classrooms, as well as a further four nursery classes offering up to 120 pre-school places.

The outside space includes all weather pitches, basketball hoops, landscaping and grassed areas. The school also includes resources for wider use by the community, including a new library.





DEMONSTRATING SOCIAL VALUE

Through the Hub programme we are keen to ensure community benefits are delivered during construction to maximise local gain. Recently our contractor, Morrison Construction, has begun to use the Social Value Portal to evidence such impact. As a result we can demonstrate that the Wallyford Primary School project resulted in **£5.8m social value added locally.**

This is made up of £5.6m being spent through a local supply chain (within 50 miles of site), alongside a number of positive outputs such as £251k generated from local employment, a further £5k in value of expert time given to SMEs and £2.7k in charitable donations.

It's fantastic to see the positive impact Hub projects are having on local communities and the wider Scottish economy and we are keen to continue using the Social Value Portal on projects to demonstrate this.

INNOVATIVE USE OF BIM

BIM (Building information Management) is a digital representation of the physical and functional characteristics of a project. It supports improved efficiencies in the public sector estate.

By adopting a BIM Level 2 approach at Wallyford, we brought greater levels of predictability to the project, not just around capital delivery but operationally as well, allowing the team to make more informed decisions at the right time.

Hub South East is involved in SFT's BIM working group and has played a key part in helping develop process improvements, including incorporating BIM in existing Hub models, expanding method statements and ongoing dialogue with clients and our supply chain to encourage future use of BIM.

EAST LOTHIAN COMMUNITY HOSPITAL

East Lothian Community Hospital is the largest value Hub project in construction in Scotland.

Being built on the site of the current Roodlands Hospital in Haddington, the plans will see a modern and purpose-built hospital developed, helping to improve the quality of care for people in East Lothian.

Through this project, NHS Lothian is consolidating and repatriating clinical services, which are dispersed across various sites, into one new facility.

The new community hospital will make a huge difference to how and where people in the county are treated. It means closer and more joined up working between staff and services and will bring an improved experience for all patients.

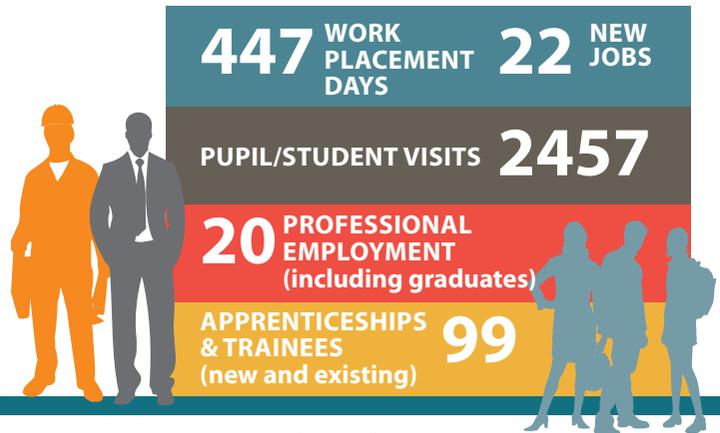
Client	NHS Lothian
Value	£69m
Tier 1 Contractor	Morrison Construction
Due to Complete	Early 2020

The new facilities will see an increase in gastroenterology, orthopaedics, urology, and ear, nose & throat, in East Lothian and is introducing new services such as plastics and phototherapy.

The project is being handed over in phases to NHS Lothian. The outpatients department was successfully handed over in 2018, with the remainder of the hospital due in late 2019 and the external landscaping and car park completing the project in early 2020.

“We continue to work closely with development partner Hub South East Scotland on the project and I am delighted with the progress the project is making.”

Alison MacDonald, East Lothian Health and Social Care Partnership, Director



Project still under construction so figures will change upon completion.





OUTPATIENTS DEPARTMENT ALREADY BENEFITING PATIENTS

One of the key deliverables of the project is phased handovers to ensure patients can begin to use the facilities as soon as possible. Whilst work continues on the remainder of the facility, the £15m Outpatients Department of this new Community Hospital was handed over in March 2018 and has now been benefiting patients locally for over a year.

First Minister, Nicola Sturgeon, visited the new building in the weeks after it opened and said:

“The East Lothian Community Hospital is going to transform NHS services for people in East Lothian. Having been around the new Outpatients facility I can already see the benefits it’s going to bring. For patients in East Lothian, this can be the difference between being treated locally or having to travel to Edinburgh or further afield.”

HUB SOUTH EAST ADDING VALUE

Hub South East became involved in this project more than seven years ago, through a Strategic Support commission. We are proud of the value we have added, not only in the quality construction of this much needed new facility for the local community, but during its development in saving both time and money for our client. Just some examples include:

Scottish Government agreed to support a **combined Outline and Full Business Case** which **avoided an 8 month delay in the procurement process**. This approach was unprecedented in the Scottish market - made possible only through the team’s commitment to challenge the norm. This saved circa £2.5m in inflation.

The project was progressed through Stage 1 via an extended Strategic Support Services appointment. This approach **avoided a 12 month delay to the project**, at an estimated cost uplift of circa **£5m** through inflation and change in regulatory standards.

JEDBURGH

INTERGENERATIONAL COMMUNITY CAMPUS

“This project will result in a fantastic new intergenerational campus that the whole community can be proud of.

“Learning and teaching in such an innovative and inspirational setting can make a real difference to education outcomes.”

John Swinney MSP, Deputy First Minister

“As a local Jedburgh based company, we are delighted to be involved in the enabling works, preparing the site for the building of what will be a fantastic new campus.

“It’s great to see opportunities being offered to the local community and I’m proud that RJT Excavations gets to play its part in a project which will have a long lasting legacy for the town.”

Garry Young, Managing Director, RJT Excavations

Client	Scottish Borders Council
Value	£32m
Tier 1 Contractor	BAM Construction
Due to Complete	Spring 2020

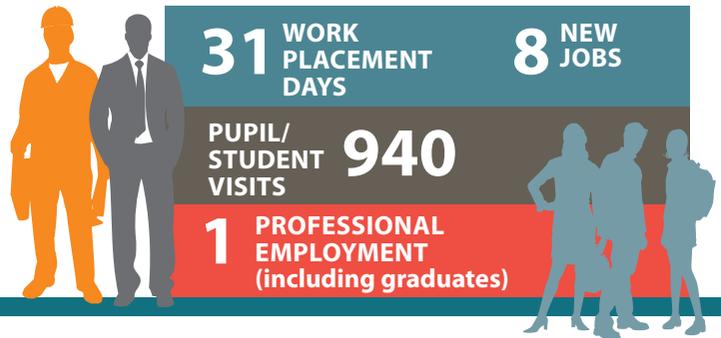
The Jedburgh Intergenerational Community Campus in the Scottish Borders will serve 2 to 18 year olds, as well as providing further education opportunities and community facilities for the town.

The new campus will replace all three schools in the town and will have provision for nursery, primary and secondary school children.

Community facilities will include a multi-use games area, 2G hockey pitch, 3G sports pitch, running track, external changing pavilion and rural skills area.

The wish is to create a completely different vision for learning and community. This will bolster Jedburgh’s ability to support and sustain community life, by providing a new and appropriately scaled single learning campus for all the generations within Jedburgh and the surrounding rural communities.

The new campus will enable parents to build strong community based relationships and receive excellent support.



Project still under construction so figures will change upon completion.





RESPONSIVENESS OF THE HUB MODEL

Discussions between Hub South East and Scottish Borders Council began from a standing start and a mere 18 months later our contractor was already on site working on the steel structure at the time we successfully achieved Financial Close.

This is demonstrable evidence of what can be achieved when the true partnership working ethos of the Hub initiative is embraced. A great deal of work went on in the background between all parties to ensure the design and development of the project could proceed at pace to meet a Spring 2020 deadline set by Scottish Government.

The flexibility and responsiveness of the Hub model was a major factor in ensuring this success and the project is progressing well on site ahead of its handover next year.

ENCOURAGING LOCAL ENGAGEMENT

Local engagement is a key driver for our client and we are keen to support this however we can to ensure individuals and businesses in the Scottish Borders are able to get as involved as possible in the project. We've actively encouraged participation in local information events and site tours. It was great to see the success and it was particularly encouraging to see the success of Doors Open Day in February 2019 - an excellent example of the community's engagement with the project as all tickets for tours of the site were reserved in record time and each tour was at capacity.

Using a local supply chain is also an important way to ensure local businesses benefit and to realise economic reinvestment in the area. An example of this is Borders based RJT Excavations being involved in early site work.

QUEENSFERRY HIGH SCHOOL

Client	City of Edinburgh Council
Value	£40m
Tier 1 Contractor	Morrison Construction
Due to Complete	Spring 2020

The 1200 pupil capacity Queensferry High offers greatly enhanced sports facilities, such as a larger games hall and a six-lane swimming pool (increased in size from 4 lanes after taking into account community feedback), a new fitness centre, dance studio and floodlit 3G and 4G pitches.

The plans make many areas easily accessible to the public, such as the assembly space within the school, which is multi-functional with retractable seating that can be used for drama shows and film screenings.

Similarly, areas like dining, CDT, food tech and art have been positioned so they can be easily accessed by the community for out of hours classes - allowing for maximum use of all these areas.

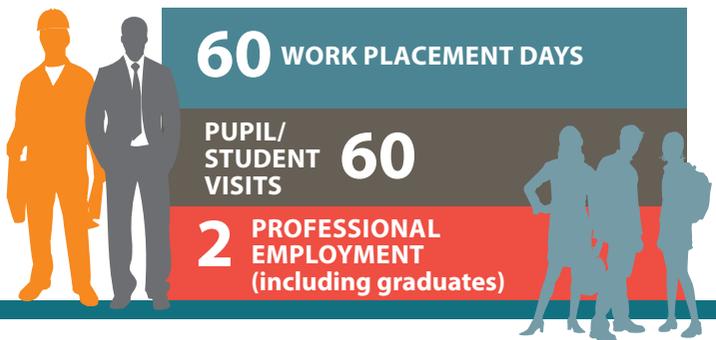
The new school is being built on the current school's playing fields and, following completion, the old school will be demolished, with the area landscaped and a new pitch created on the site.

QUALITY INITIATIVES

Although we already have a robust system and checks in place, we cannot be complacent about the issue of quality and we are continually aiming to strengthen our offering to ensure the highest possible quality standards on our projects. Queensferry High School is an excellent example of this in action, as we implement a range of enhanced quality initiatives on site, as part of a pilot project with SFT, including:

- Encouraging a culture and working environment where quality issues can be raised.
- Enhanced role of the Independent Tester and Clerk of Works appointed and interface formalised.
- Use of BIM level 2 to ensure improved co-ordination between disciplines and trade contractors.
- Enhanced role of the design team, providing greater level of site presence and quality inspections (minimum fortnightly).
- Ensuring single point responsibility, with each trade work package allocated a specifically qualified site manager.
- Bespoke Toolbox Talks around construction methodology.

Importantly, these actions are all monitored at specific monthly reviews focussed solely on quality and attended by key members of the team to ensure issues are given the utmost importance. The intention is to roll out these enhanced quality initiatives to all sites in the future.



Project still under construction so figures will change upon completion.

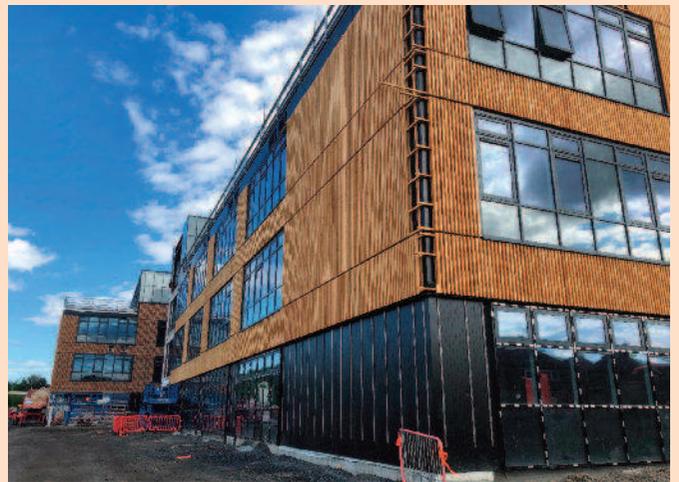


LOW CARBON APPROACH

Hub South East is leading the way in realising progressive government policy in relation to low carbon, as the new School is being used as a pilot project which is receiving funds through SFT to ensure a low carbon design.

We have looked at traditional approaches to a number of areas including daylight, thermal comfort and energy in school design. Innovative approaches have then been identified in relation to energy modelling, indoor climate and CO2 levels, to ensure that the new Queensferry High has low carbon at the heart of its design.

Ultimately this will not only satisfy increasing environmental targets but it should have a beneficial effect on the learning environment and educational attainment for its young people.



“The replacement Queensferry High is really progressing well and I’m sure the pupils and staff can’t wait for it to open its doors next year. It will provide much-needed community facilities and many of the areas will be easily accessible to the public which I’m sure they will be delighted with.”

Councillor Ian Perry, Convenor Education Children and Families, City of Edinburgh Council

PROJECTS IN DEVELOPMENT

We're currently developing projects for clients in the South East Territory worth almost £240m.

These range from future phases of the Royal Edinburgh Campus and health facilities in Edinburgh, to a range of education projects in East and West Lothian, alongside the replacement Castlebrae High School for the City of Edinburgh Council which, at the time of writing, has had its planning application submitted.

PASSIVHAUS

We're particularly excited about the innovative work in early years we'll be doing with West Lothian Council. As new capital projects are being challenged to drive towards higher performance whilst reducing operational maintenance and running costs over the building lifecycle, an increasingly popular solution is to design to 'Passivhaus' standard.

This is a quality assurance process that is driven by a fabric first approach, providing a high level of occupant comfort whilst using very little energy for heating and cooling.

The current Early Years programme we're developing in West Lothian includes two new-build centres and one will follow the Passivhaus standard, whilst the other will follow a traditional approach.

Having a direct comparison of process, construction methods, costs and performance will provide invaluable data to enable an objective review on the impact, benefits and challenges of Passivhaus, informing not only how we can fine tune the existing facilities but also how we directly influence next generation design proposals.



STRATEGIC PARTNERING SERVICES

Our Strategic Partnering Services team continues to build on the successful commissions completed in previous years, providing advice on several key client priorities.

In addition to planning and delivering the City of Edinburgh Council's innovative Leith Meanwhile project (see page 20), work was also progressed on other notable medium to longer term Territory-wide estate strategies.

An extensive period of ongoing support was provided to Midlothian Council in relation to its asset rationalisation programme and the development of a new resources facility that seeks to combine several key operational services on a single site. The new facility will enable the decommissioning of older Council assets, freeing them up for other uses including new affordable housing.

NHS Lothian requested support to progress its catering strategy. This forms part of a Scotland wide NHS Strategy to deliver five centralised catering hubs. The NHS Lothian hub will produce five million patient meals annually. Hub South East proved instrumental in solidifying NHS Lothian's vision, offering a means to combine several existing business plans in a way that has the potential to generate significant ongoing capital and revenue savings.

In addition to the advice provided on the accommodation required, the team quickly identified several site opportunities - one of which was progressed rapidly through the NHS Board Approval process allowing offers to be submitted. Whilst this opportunity was ultimately unable to progress, the Hub proposals for a multi-user facility and the location have been adopted as an integral part of the combined business plan going forward.

Significant progress has also been made in relation to Health and Social Care related accommodation, particularly for older people. Support is being provided to Scottish Borders Council in relation to the delivery of a 20+ bed

"NHS Lothian engaged Hub South East to help identify alternative solutions for our catering strategy within the region. Hub has assisted in combining the various business cases for a multi-user facility, which are now being explored in further detail.

"The support that the Strategic Partnering Services team has provided has allowed us to free up internal resources and improve efficiencies, and we have been impressed with the level of assistance provided. We will continue to utilise the knowledge and support from Hub on future projects where strategic real estate decisions are required. "

Andrew Milne, Project Director, NHS Lothian

Dementia Care and Assessment Centre which is hoped will be the catalyst for a wider Care Village concept. The facility is a key part of the Scottish Borders Older People's Strategy. The concept is based upon the Dutch Hogeweyk model which was visited alongside other innovative care villages in Rotterdam and Amsterdam as part of early pre-planning. The project is being delivered in partnership with the Borders Integrated Joint Board (IJB).

The work being carried out in the Borders also complements work being undertaken on behalf of the East Lothian IJB regarding its strategy to shift the balance of care across the region. In addition to up to 200 new extra care housing units that will promote more independent living, Hub South East is supporting NHS Lothian and East Lothian Council in exploring the re-use of several existing hospital and care home assets as part of the IJB's wider strategy.

Given the pressures of a rising and ageing population across the South East Territory, Health and Social Care related accommodation will remain a priority for the team throughout 2019/20.



PERFORMANCE

Overall, in relation to its performance against the new suite of Key Performance Indicators (KPIs) in the Territory Partnering Agreement, the Territory Partnering Board is satisfied with the performance of Hub South East over the last year.

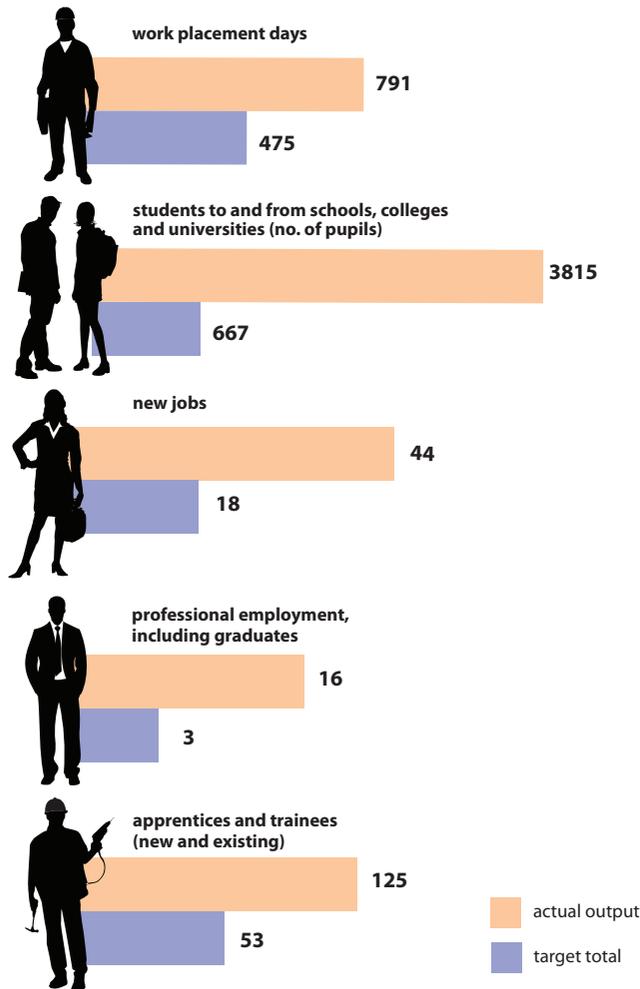
The following pages contain information on just some of the key areas in 2018/19.



COMMUNITY BENEFITS

Delivering benefits in addition to the bricks and mortar of a project is key to the Hub initiative's ongoing success and again this year we are proud to be meeting and in many cases, outperforming in this area.

On page 2 you can see that since our inception we have delivered an impressive number of benefits and on completed projects in 2018/19, we have again exceeded what we set out to achieve:



WORK EXPERIENCE FOR NHS COLLEAGUE

In addition to the work experience placements on site during construction, we are keen to show that the industry has many more opportunities, and as such, experience is now supported with other areas of the supply chain such as designers and architects.

We also practice what we preach in Hub South East and in 2018 we supported a week of work experience in our office for our colleague in NHS Lothian's Finance team - Beata Burkinshaw:

"I now have a much better appreciation of the work done by Hub South East and I have a greater understanding of how the relationship between the public and private sector works in the Hub programme and the strengths each partner brings to the fantastic projects we work on."

"I've enjoyed my time with the team on both a personal and professional level. This work placement is a great demonstration of the partnership between NHS Lothian and Hub South East."



SUPPORTING LOCAL YOUNG PEOPLE



James Rogers-Jones

Four years ago, through the Newbattle Community Campus project, we began supporting a former pupil of the school to go through University and study to be a Quantity Surveyor. James Rogers-Jones, from Midlothian, was provided with a financial package to help with books, travel costs etc. and undertook paid summer placements of work throughout his studies. James has now completed his degree and is a Graduate Quantity Surveyor on a permanent full-time contract with Morrison Construction. He is currently working on another Hub project – the new Queensferry High School – and he has appreciated the support he has received on his journey into study and employment:

“I was incredibly fortunate to have summer placements during my course, which allowed me to put the theory I was learning into practice in a real site environment. I can’t thank the Morrison Construction team enough for the support I received whilst studying. Colleagues were always on hand with advice and the access I had to key individuals within the construction industry and Hub programme influenced my dissertation – it ended up being on the Hub model and value for money!”

“Knowing that I had a job at the end of my course if I applied myself and worked hard, was a great incentive and it really eased the pressure that I know some of my fellow students had about life beyond studying. I’m grateful for the opportunity which I was given years ago at Newbattle and I’m certainly making the most of it and looking forward to a long and successful career as a result.”

CHAMPIONING COMMUNITY INITIATIVES



Grace Warnock

We’re proud to be raising awareness of invisible disabilities through ‘Grace’s Signs’ as we have worked with 13 year old Grace Warnock from East Lothian to use her signs in both West Calder High School and Wallyford Primary School, promoting inclusivity.

Diagnosed with Crohn’s Disease at the age of nine, Grace developed the sign after being criticised for using disabled toilets. The sign depicts two people with hearts, with a wheelchair in the centre, symbolising invisible disabilities that may not always be obvious.

Since the beginning of the campaign Grace’s Signs have been adopted in various locations across Scotland and abroad including Holyrood and Edinburgh International Airport. With the support of our contractor, Morrison Construction, Grace is aiming to make sure educational facilities highlight this important issue. In West Calder High there are more than 20 signs placed internally and in Wallyford Primary – close to Grace’s home in Prestonpans – they are placed internally, and for the first time, in the car park.

“I hope my sign will be used in as many schools as possible to teach children about invisible disabilities. It was great to take a tour of the new school and see my sign inside and outside in the carpark. It is the first time my sign has been used in a car park so that was exciting to see.”

HUB COMMUNITY FOUNDATION

The wider Hub programme is also benefiting charities across Scotland through the Hub Community Foundation. This is a charity that raises money for those in need through the financing of community-based projects built by the Scotland-wide Hub programme, thus maximising local community gain. Managed by Inspiring Scotland, in 2018 £1.3m was allocated through the Building Brighter Futures Fund to 10 charities across Scotland. In the Hub South East territory, two charities are benefiting from this funding – Grassmarket Community Project and Move On.



“We will use the funding to develop an employability training programme for young people linked to our exciting new social enterprise, Move On Wood Recycling.”

“The programme will equip young people with qualifications including the SQA Award in Employability, accredited at SCQF level 3, which is widely recognised by employers, colleges and training providers and will improve the chances of young people in accessing work, training and education. The programme will also help young people increase their confidence and basic work skills, and improve their positive social networks.”

Move On's Executive Director, John Hinton



SUPPORTING THE COMMUNITY

On projects we've been working on this year, our Tier 1 contractors have donated to a number of local causes – all demonstrating how Hub South East projects can provide benefits beyond the construction of the new buildings themselves. Just some of these donations of time, material and sponsorship include:

- Supporting Loose Parts Play in East Lothian by providing Wallyford Primary school with site materials.
- Donating materials and time to help build a greenhouse for the West Calder Community Development trust.
- Raising money on site at Queensferry and East Lothian Community Hospital through donations and a cycling challenge, for charities Prostate Cancer UK and Clic Sargent.
- Encouraging the wider supply chain to support local projects eg RJT donating calculators for the maths department at Newbattle High School.

SUPPORTING SOCIAL ENTERPRISE

Hub South East continues its support of the Grassmarket Community Project (GCP), an Edinburgh based charity operating six social enterprises. In 2018 we were proud to see the opening of a counselling room for members, made possible by the £24,000 raised with the support of our fantastic supply chain at our second fundraising day.

In addition to our fundraising efforts, we encourage use of the venue hire social enterprise element of the charity, having held our team strategy day there last year. We also donate wood to the workshop through projects, and through our recent office move, we ensured some of the furniture was recycled through GCP. Such is the partnership we have built with GCP, our Communications Manager, Joanne MacDougall, has recently joined the Board as a voluntary member and we are supporting this appointment through volunteering days through our business.

“We are totally overwhelmed by the kindness and generosity that Hub South East and its supply chain has shown our project and the people we support. The Charity Golf Day was hugely successful and yet again the Hub team, its suppliers and partners have proven themselves to be committed to supporting many of Edinburgh’s most vulnerable and isolated people. We cannot thank them enough.

“Last year we supported over 500 people living on the extreme edges of society, facing multiple barriers to working and living a decent quality of life. To many we are the only family they have. With the support of Hub South East we can continue to reach out to the people facing the most difficult circumstances and help them re-build their lives.”

Jonny Kinross, Chief Executive, Grassmarket Community Project



SUPPORTING SMEs

We remain committed to ensuring that local businesses benefit from Hub projects being delivered in their area. This year, on completed projects, **85% of construction work packages were awarded to Scottish SMEs.**

On average, each of our three Tier 1s has around 335 Scottish SMEs on its supply chain and a great deal of work is carried out to ensure local SMEs can engage with Hub projects, including:

- Attending supply chain conferences and organising project specific and Business Unit 'Meet the Buyer' events, where the Local, SME supply chain and Social Enterprises are encouraged to attend, promoting the use of engagement with Tier 1 and Tier 2 contractor suppliers within projects.
- Providing free leadership, safety and up-skilling training through construction training programmes.
- Sharing frequent pipeline updates with the supply chain to advise them of upcoming projects.
- Morrison Construction has a Scottish Supply Chain Manager, based in Edinburgh, with local connections and there is a Central Scotland Supply Chain Champion who regularly meets with the local and SME supply chain. They also hold quarterly community benefit supply chain forums.
- GRAHAM Construction hold 'Lunch Club' networking events with the supply chain.
- BAM construction encourages subcontractors to enrol on its Purchasing Excellence programme – providing visibility of future work and tendering opportunities.

SUPPORTING GROWTH AT CASTLE BUILDING SERVICES

As a result of the continued success of Castle Building Services, an SME that originally opened its first Scottish office in Glasgow in 2014, the company has expanded recently with the launch of an Edinburgh office, employing even more Scottish personnel and reinvesting in the Scottish economy. Commercial Director, Andrew Dawson, explains the impact of the Hub programme on the success of the business:



"We're delighted with the growth of Castle Building Services. On the back of work secured through Hub South East and Hub South West, most recently on Kelso, Largs and Queensferry High Schools, we've been able to employ more staff and in turn, take on more work. Our employment strategy is very

much focussed on local people and the majority of our workforce is Scottish.

"We're grateful for the opportunity that work through the Scottish Hubs has given us to expand. It's encouraging to see the programme support and sustain SMEs and with a turnover of around £15-20m, we are able to make a significant reinvestment back into the Scottish economy as a result."

SUPPLY CHAIN

As well as three Tier 1 Contractors, employing around 1400 staff in Scotland, we have a large, professional supply chain of 96 companies to call upon to assist clients in delivering community infrastructure developments in the South East Territory. These include 3 FM contractors, 33 architects, 16 Mechanical & Electrical specialists, 18 Civil & Structural companies.

G7 hub Building better local services together

hub

Development Partner of Choice

£1.3BN

Value of education projects that have been successfully delivered by hub

£370M

Education projects under construction



QUALITY

With the main objective of the Hub programme being to deliver quality, modern community facilities for clients. It is imperative that the buildings we hand over are of a high standard and that in the areas of design, construction, management and compliance in relation to quality, we are meeting our targets. **Again, this year, we have met all the necessary quality targets.**

We have robust monitoring in place in relation to quality management and where any issues are identified, we work closely with our supply chain to ensure that solutions are found and best practice is shared for future projects. Hub South East remains focussed on improving quality standards and as you can see on page 28, on the Queensferry High School project we are trialling enhanced quality initiatives which we are hoping to roll out across future projects.

One indicator of the satisfaction with quality is user feedback and we have a raft of positive responses from service users and visitors about the facilities we have completed in this reporting period.



“This magnificent new school is a visible demonstration of ambition to be at the forefront of educational opportunity and achievement. We now have a place of learning which is the most modern in the country.”

West Calder High School
United Nations Special Envoy for Global Education
and former prime Minister, Gordon Brown

“The attendance and feedback from the range of visitors to the Newbattle Campus has been beyond expectation. It is really pleasing to see so many residents taking advantage of the fantastic facilities on offer.”

Newbattle Community Campus
Cabinet Member for Properties and Facilities Management
and Council Leader, Councillor Derek Milligan.

“This building will bring so much joy and opportunity to the community of Wallyford. It’s all we could have hoped for and more.

“I have been very impressed at how the project designers have taken on board the children’s ideas and turned them into reality. This is a very special place.”

Wallyford Primary School
Mhairi Stratton, Head Teacher



PARTNERING & COLLABORATION

In line with the partnership ethos of the Hub programme, Hub South East is committed to working hand in hand with clients and stakeholders. We rely on feedback to help us ensure the services we provide are suited to clients’ needs and we have regular sessions during projects and through post project reviews where we can focus on lessons learned.

Each year, in an effort to ensure continuous improvement, we carry out a formal survey of Territory Partnering Board members. In 2018/19, we interviewed seven of our clients plus SFT. **Hub South East has a pass rate of 100% and has therefore met this KPI.**

Whilst it is positive that relationships with clients are in a good place and we were successful in meeting this KPI, more importantly, the surveys gave us the opportunity to spend time with clients discussing what we can do to improve our offering and further cement ourselves as their Development Partner of Choice. To this end, the feedback has been collated and an action plan developed, which in its implementation will ensure that we are addressing any issues and building on the strengths identified.



A LEARNING CONVERSATION...

We strive to ensure that through the planning, design and construction of new projects, we are learning from best practice across the world and sharing this with clients, our supply chain and other stakeholders.

As an example of this in action (although just outwith the reporting period of this Report) we recently invited Professor Stephen Heppell to an event as guest speaker, with a panel debate afterwards around the learning environment and the challenges we will all face in meeting the Scottish Government's Learning Estate Strategy objectives. More than 60 guests, including senior representation from education and estates in all five local authorities, joined us on the evening. As a demonstration of the appetite for collaboration, we had Chief Executive Angela Leitch (East Lothian Council) and Depute Chief Executive Elaine Cook (West Lothian Council) involved in the panel and it has been agreed that we follow this event up with a more focussed group of educationalists looking at continued opportunities for joint working moving forward.

"It was one of the most interesting and stimulating events I have been to. Terrific food for thought and an exciting time to be involved."

"Great Evening, hosted by Hub South East, listening to Stephen Heppell. I'm a convert to the BYOP (Bring Your Own Plant) to school idea."

"I thought the event worked very well and created a real sense of enthusiasm and optimism."

"Brilliant and thought-provoking event. It just goes to show that the simplest of ideas can make a seismic difference in learning."

SPONSOR/DEVELOPER OF THE YEAR

At the 2018 Partnerships Awards, the largest event recognising and rewarding the best in Public Private Partnerships (PPP), Hub South East scooped the much coveted Gold title for Sponsor/Developer of the Year.

Judges were impressed with the excellent delivery of programme and partnership models and recognised Hub South East as having created **‘an efficient, powerful and connected procurement vehicle that demonstrates how a successful partnership can deliver positive results’**.

These awards are about pushing the envelope of Partnerships and being at the forefront of developing and improving market practice, so we are immensely proud of Hub South East’s success.

To be shortlisted amongst such stiff international competition is recognition in itself, but to come home with this title was a significant achievement and is testament to the consistent and repeated high performance of the team, the strength of partnership with our clients and the quality and innovation demonstrated on projects throughout the South East of Scotland.



This award is in addition to the numerous accolades awarded to our projects this year, including:

WEST CALDER HIGH SCHOOL

Silver

Best Social Infrastructure Project
(Partnerships Awards 2019)

NEWBATTLE COMMUNITY CAMPUS

Winner

Technologies: Transforming Learning, Teaching and the Curriculum (Education Building Scotland Awards 2018)

ALLERMUIR HEALTH CENTRE

Best Primary Care

New Build (Building Better Healthcare Awards 2018)
and Winner - Healthcare (2018 GIA Awards)

BLACKBURN PARTNERSHIP CENTRE

Commended

Healthcare (2018 GIA Awards)

JEDBURGH INTERGENERATIONAL COMMUNITY CAMPUS

Winner

Future Building (Scottish Design Awards 2018)



3

- PE
- The Arts
- Fitness & Health
- Waste & Food Technology
- Modern Languages
- Music
- Physical Education
- The Arts
- Change

VALUE FOR MONEY

Our KPIs ensure that we are measured against our compliance with Value for Money proposals. A cost manager is appointed for each project and there are a range of measures and checks in place, from competitive tendering of work packages, to benchmarking and having Affordability Cap Cost Plans. We are increasingly looking at Whole Life Costs as part of this to ensure clients are achieving best value for their investments and we have demonstrable evidence of how through the flexible Hub process, alongside genuine partnership working and innovation, we are able to drive down costs and provide real added value. Here are just some examples from projects we are working on in this reporting period:

£9.6m

All projects completed this year have been below the Affordability Cap and resulted in an aggregate capital cost saving of **£9.55m** - representing 9.3% of the total value.

£4.9m

Stage 2 prices on Projects this year resulted in an aggregate saving of **£4.9m** on Affordability Cap.



£3.5m

Full transparency of market testing on the East Lothian Community Hospital helped achieve cost of 4% under the Affordability Cap – saving **£3.5m**.

£1.4m

At Queensferry High School, over the duration of the 25 year concession period, **£1.4m** will be saved on life cycle costs when measured against the Affordability Cap.

£600k

By accelerating the development phase of the Jedburgh Intergeneration Community Campus, **£600k** of inflation costs were saved.

7%

Rising Rolls 6, comprising 5 school extensions, completed on time with a **7%** saving on Affordability Cap.

£2.9m

Through a combination of various project efficiencies we achieved a **£2.9m** saving below the NPR affordability cap on the East Lothian Community Hospital project.



HEALTH & SAFETY

With an accident frequency rates of well below the threshold of 0.4, our three tier 1 Construction Contractors continue to maintain an excellent safety record.

In this reporting period, as with previous years, no HSE enforcement notices have been received on any Hub South East construction sites.

Health and Safety remains an area of the utmost importance and is reported on regularly to our Board. Where there are issues, they are identified and resolved as a priority. We continue to ensure that all three Construction Contractors share best practice and lessons learned in this area and that this is filtered down the supply chain.

PROGRAMME

Cumulatively, across all completed projects, we successfully handed over facilities in this reporting period within the threshold of 5% of agreed completion dates.

In measuring the delivery against single projects, all projects were completed within the threshold of 7.5% meaning the KPI was passed. We always aim to better this by setting aspirational targets above and beyond the measured KPIs. The Newbattle Community Campus this year fell short of meeting our continuous improvement target and we will ensure that lessons are learned from this on future projects.

The delivery of complex community infrastructure projects can be challenging and various factors can contribute to delay in projects, whether in the development stage, or during construction. We work with our clients and the supply chain to minimise the risk of potential delay and testament to this strength of partnership is our strong track record over the last nine years, with the majority of our 73 delivered facilities handed over on or ahead of schedule.

SUSTAINABILITY

We have a number of targets around sustainability on Hub projects and our performance in this area continues to be good, with all agreed targets being met or exceeded.

Plans are in place on all Hub projects to manage environmental issues and waste. Where our client specifies that environmental assessments such as BREEAM are targeted, we ensure that the facilities we deliver comply with these.

As demonstrated on page 29 and page 30, where we are piloting a low carbon approach at Queensferry High and looking at a new Passivhaus model of school in West Lothian, we are also keen to help our clients realise Scottish Government targets in relation to the environment and low carbon.

RESULTS

ABSTRACT OF ACCOUNTS

The information below is extracted from the audited financial statements for the year to 31 March 2018.

The company has reported a profit for the year amounting to £420,000.

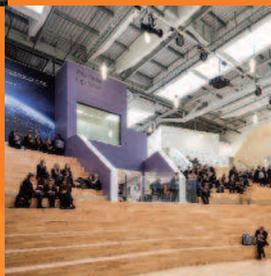
This is the third year of profit for the company and moves it into a net asset position of £640,000.

The Directors do not recommend payment of a dividend in respect of the year.

A summary of the financial performance is as follows:

	Year ended 31 March 2017	Year ended 31 March 2018
	£000s	£000s
Profit & Loss Account		
Turnover (development fees, plus payments related to D&B contracts)	37,401	13,613
Cost of Sales (Includes payments to D&B contractors)	(35,572)	(11,896)
Gross Profit	1,829	1,717
Administration Expenses	(1,080)	(1,199)
Net Interest Payable (mainly on Shareholders Working Capital Loans)	(38)	-
Profit for year before Tax	711	518
Corporation Tax	(59)	(98)
Retained profit for year	652	420

	As at 31 March 2017	As at 31 March 2018
	£000s	£000s
Balance Sheet		
Total Assets	4,005	4,236
Current Liabilities	(3,785)	(3,596)
Total Assets less current Liabilities	220	640
Long Term Liabilities	-	-
Net Assets	220	640



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