

HUB SOUTH EAST
SCOTLAND TERRITORY
ANNUAL REPORT
2019 - 2020





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Hub South East: Your Development Partner of Choice

10 Years of Hub South East Achievements

WE SUPPORT

Providing strategic partnering services to help clients achieve local and national objectives.

WE DELIVER

Developing, constructing and maintaining high quality, value for money, modern facilities.

WE COLLABORATE

Sharing best practice across the territory and with Scotland's other Hub companies.

WE INNOVATE

Working with our clients and supply chain to provide innovative solutions and influence future design.

VALUE OF HUB PROJECTS IN SOUTH EAST SCOTLAND

£667m

£479m

OPEN and OPERATIONAL

£118m

IN CONSTRUCTION

£70m

IN DEVELOPMENT

414 NEW JOBS created

PROPORTION
of CONSTRUCTION WORK
PACKAGES AWARDED to
SCOTTISH SMEs

82%

EDUCATIONAL SUPPORT



Site, School
and FE Visits

32,500⁺

persons

School and FE
Work Placements

4,700⁺

days

GRADUATE & TRAINING

503

New and existing
APPRENTICESHIP
and trainee places

129

Professional Employment
including GRADUATES

Figures correct at September 2020

HUB IS FLEXIBLE

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

HUB INNOVATES

We have led on models of **repeatable designs**, we're facilitating **new service delivery models** in health and social care, we've supported quality improvements and **low carbon** initiatives and we are delivering Scotland's first public **Passivhaus** nursery.

HUB MAKES A WIDER IMPACT

Our Partnership with local charity Grassmarket Community Project has seen almost **£60,000 raised through supply chain events**.

HUB IS AWARD WINNING

With more than **40 shortlists and 16 wins**, our projects and team have received industry recognition in local, national and international awards. Notably, Hub South East was named Developer of the Year at the international Partnerships Awards in 2018.

HUB IS VALUE FOR MONEY

Financial caps mean affordability is built in. There are no high costs of bidding for supply chain contractors, open book procurement and transparency ensures no hidden costs and **ALL Hub South East's projects have been delivered within budget**.

- In terms of benchmark metrics, Hub South East on average delivers first class secondary schools at **13.9%** below the cost per m² target and, through efficient design, **8.3% below the target cost** per pupil.
- **£3m saving** on Affordability Cap on Wallyford Primary School
- **£5m saving** on whole life costs on Royal Edinburgh Phase 1
- **£2.9m saving** on the Affordability Cap on East Lothian Community Hospital

HUB HAS A STRONG SUPPLY CHAIN

We have almost **100 experienced companies**, including contractors, architects, engineers and advisers ready to assist with projects. In addition, each of our Tier 1 Contractors have an average of **335 Scottish SMEs** on their supply chain.

FOREWORD

2019-2020

Welcome to the 2019/20 Annual Report for the South East Territory, covering the reporting period April 2019 to end March 2020.

At the time of writing this report, we are in the midst of the Covid-19 global pandemic. We are operating in extraordinary times and like other businesses, Hub South East Scotland has had to quickly adapt to meet the challenges of enforced changes resulting from the Government's response to tackling the outbreak.

Whilst this has created uncertainty and the long term consequences of this are still to become clear, new and exciting opportunities have also arisen and we would commend the Hub team and its supply chain for embracing these and continuing to develop established relationships with clients whilst transitioning to a new way of working remotely.

During 'lockdown', construction sites were closed in line with Scottish Government guidance. Testament to the success of our partnership with clients, during this time, Hub South East worked together with its partners to ensure that projects still progressed through key development stages and when allowed, sites were safely reopened. Whilst there has undoubtedly been an impact on programme of those developments on site, this challenging time has demonstrated the true benefits of partnership working. Although outwith this reporting period, recently contract close has been reached on our second largest project – the £60.7m Winchburgh Schools Project and completion was achieved on the £40m Queensferry High School and £69m East Lothian Community Hospital, showing the capability and flexibility of the Hub model.



Paul Brewer
Chair
Hub South East
Scotland Ltd



Alex McCrorie
Chair
South East Territory
Partnering Board
(during this reporting period)

Moving on to 2019/20 - our tenth year in operation - we continued to work together to improve local services by delivering modern, high quality community infrastructure across the Territory. With each new development the partnership is strengthened as we deliver added value through real savings (see P40 for examples).

Since 2010 we have completed 78 new or refurbished facilities worth almost £480m, ranging from healthcare and supported accommodation, to educational and community facilities. The Territory's Strategic Vision is for Hub and our clients to work together to provide enhanced local services and achieve tangible benefits for partners and communities in the Lothians and Borders. With a programme value of more than £660m, we have been making real headway in delivering this and further cementing ourselves as our clients' Development Partner of Choice.

In this reporting period in the South East Territory, we handed over the main phase of Scotland's largest Hub project, the East Lothian Community Hospital (P16) and an innovative new intergenerational learning campus in the Scottish Borders – Jedburgh Grammar Campus (P14). Both these projects demonstrate the value of Hub's early involvement in making demonstrable time and cost savings.

We also broke ground on a number of sites, notably on what will be Scotland's first public Passivhaus nursery at Blackridge (P24), an innovative project with West Lothian Council where we will be able to compare traditional and Passivhaus builds, looking at construction methods, costs and outcomes, in turn influencing future learning estate design.

We are pleased to have earned the trust of local authority clients in securing such projects, and through our strategic support partnering services, clients are increasingly involving Hub South East in early discussions on how they meet their infrastructure needs.

This appetite for collaboration is encouraged, as is the desire amongst our public sector bodies to share best practice. At our Learning Conversation event (P38) it was positive to see senior representation from both East and West Lothian Councils on the panel, as well as attendance from a range of public sector and supply chain partners. A collaborative approach is essential for future success and this extends outwith our Territory, as we work closely for example, with other Hub companies to learn from each other and explore opportunities for working together and demonstrating the strength of offering of the Hub programme across Scotland.

In the delivery of projects we are proud that we continue to generate community benefits across the Territory, investing locally in individuals and small businesses, creating real social value. Since 2010 we have supported more than 500 new and existing apprenticeships and 414 new jobs have been created on our supply chain to help deliver Hub projects. Overall 82% of work packages on completed projects to date have been awarded to Scottish SMEs, so the wider economic impact of our work continues to extend well beyond the service users of the facilities we deliver.

Over the coming year, whilst navigating the easing of Covid-19 restrictions, Hub South East will complete early years facilities in Edinburgh and West Lothian, whilst construction will continue on a range of health and education projects across the Territory. We will also work in partnership with East Lothian Council to further develop the new community Wallyford Secondary School.

We welcome this opportunity to thank the collective of organisations and individuals involved in making the Hub programme in the South East Territory such a success. We look forward to continuing this partnership working and to a productive year ahead.

TERRITORY PROGRAMME DIRECTOR'S ANNUAL REPORT

I am pleased to contribute my report as Territory Programme Director to Hub South East's Annual Report for the 2019/20 year.

I have examined the evidence held by Hub South East for its achievement of KPIs across a wide range of KPIs and projects. I am satisfied from the evidence presented that Hub South East has met its KPI targets for 2019/20, with no Significant Performance Failures or Track Record Events.

Although the lockdown due to Covid -19 happened only a week before the end of the 2019/20 financial year, it has had such a profound effect on Hub and its clients, that it would be wrong not to comment on its effect.

This period has clearly resulted in major and unprecedented challenges. Overall, I have been impressed by the commitment and energy shown by all parties to find an acceptable way through the issues which have arisen. If nothing else, this time has shown the advantage of long- term partners who trust each other working together.



Gordon Shirreff
Territory Programme
Director

Clearly the current situation has given rise to project costs which could never have been anticipated. These costs are not just the obvious ones of closing a live construction site and maintaining it in that state for many weeks. They also include the costs of re-opening a site and then continuing with the construction whilst maintaining social distancing. The impact this will have on programme and therefore cost, is very difficult to quantify. I am, however, confident that with goodwill and professionalism on all sides, a resolution satisfactory to all can be achieved. This would certainly be in the spirit of partnership which Hub embodies.

In May 2019 Hub South East held a Learning Conversation on school design with Professor Stephen Heppell, a well-known speaker internationally on school design and its impact on learners' experiences (see P38). This event, proved to be both entertaining and highly informative and represents a good example of Hub working with clients to help shape their thinking in a crucial area.

In last year's report I commented that the Scottish Government had announced a further wave of major investment in the schools estate. Throughout 2019/20 Hub worked with Clients awarded funding to develop their plans for these new schools. A number of the schools have now been confirmed as being delivered through Hub and engagement continues with the remaining clients.

In November 2019 there was a major fire at Peebles High School in the Scottish Borders. Within a matter of hours, and in an excellent example of the speed with which Hub can respond to Clients' needs, Hub South East and Scottish Borders Council were working in partnership to make safe the remaining parts of the school and begin the work of planning for the schools future.

Also, in November of last year, Hub South East held a strategy day, the first to which clients were invited. I see inviting clients as a very positive development, as it provides them with a further opportunity to shape the way their development partner works. As a result of the strategy day, Hub South East has prepared a paper on Evolving the Hub Model, which was discussed at a recent Territory Partnering Board.

Last year I commented on the large projected increase across our territory in the numbers of over 75s in the

population and the work that Hub was involved in with a number of clients to respond to the expected need for increased assisted living accommodation. This work continued throughout 2019/20 with Hub playing a leading role with clients in two visits to The Netherlands to see care villages in operation. These care villages are very different from anything currently provided in Scotland. This engagement is an excellent example of Hub helping to shape clients' thinking on how future service provision may develop. Hub South East is now exploring the potential of developing these types of facilities for clients in the future.

During the twelve months under review it became apparent that due to changes in balance sheet classification, further Hub DBFM projects would not be possible within the current shareholding structure. This means that future community infrastructure projects can only be funded through capital, with no revenue funding option currently available. Partly in response to this, Hub South East is developing the Hub Institutional Funding Model (HIFM) for projects, such as care homes, where there is an income stream. Development work on HIFM is continuing.

The Territory Partnering Board has continued to function effectively throughout 2019/20 with a good attendance at meetings and often lively discussion on the issues presented.

I would like to take this opportunity to pay tribute to Alex McCrorie, who has now stood down as Chair of the TPB, pending his forthcoming retirement as Deputy Chief Executive of East Lothian Council. Alex has been a strong advocate for the Hub partnership during the extensive period that he served as Chair. His contribution will be greatly missed. Alex's position as Chair is being taken by Craig Marriott, Deputy Director of Finance with NHS Lothian, and previously vice-chair of the TPB.

On the whole, 2019/20 has been a good year for our Territory. With a number of notable projects handed over successfully to clients and many projects moving through the development phases. It is particularly satisfying to report that the sense of partnership working between Hub South East and most clients has deepened during the year and that, in many cases, Hub is now helping to shape clients' requirements.

HUB SOUTH EAST CHIEF EXECUTIVE'S REPORT

I would like to start by paying tribute to all of our staff, supply chain and clients, for the professional way in which they have dealt with the demanding and ever-changing situation caused by the Covid-19 pandemic. It has been heartening in this time of challenge and uncertainty to see how we have worked together and this can only strengthen relationships in the future.

At the time of writing, our Edinburgh office remains temporarily closed but all sites, which were suspended following Scottish Government guidance, have resumed construction and we are making good progress.

The global pandemic came to the forefront as we were ending our 2019/20 reporting period and understandably it has been, and still is, a major focus with no industry, business or individual being unaffected. But it's important that we still reflect on the successes of the previous year and the opportunities ahead, of which there are many.



Paul McGirk
Chief Executive
Hub South East
Scotland Ltd

In total, during this 12-month reporting period from April 2019, our team has worked on the completion of developments totalling £82m, the start of construction of new facilities valued at more than £80m and the project development of projects valued at almost £144m.

In health, we handed over the main phase of Scotland's largest Hub project – East Lothian Community Hospital. It is already open and operational, making a real difference to the residents of East Lothian as they access healthcare services closer to home.

Education continues to be an area of focus for councils and the majority of projects in construction and development this year have been helping clients achieve national performance framework objectives in relation to their learning estate. It's particularly encouraging to see that in terms of benchmark metrics, Hub South East on average delivers first class secondary schools at 13.9% below the cost per m² target and, through efficient design, 8.3% below the target cost per pupil.

As well as being received positively by clients, pupils and staff, our work in the field of education has gained recognition from industry peers this year as Hub South East projects received two coveted awards. West Calder High School was named 'Project of the Year' at the Education Building Scotland Awards in 2019 and, in early 2020, Wallyford Primary School became 'Public Development of the Year' at the Scottish Property Awards. Submissions focussed on excellent partnership working, design, quality construction, social value and regeneration, so it's fantastic to see how our projects are demonstrating wider impact. You can see within this report plenty of information about the impressive community benefits we have already delivered within the South East, as well as the efforts we are making to do even more in the future.

Combining these community benefits with our success in developing and delivering projects, achieving value for money for clients (see P40), alongside positive customer surveys, there is demonstrable evidence of

how well we are performing in Hub South East. However, we can't be complacent and we take every opportunity to use feedback to change our processes, making them as user-friendly as possible for our clients.

There has been so much activity, it's impossible to fit it all into one page or indeed one document, so this year we have developed a new website for Hub South East. At www.hubsoutheast.co.uk you can now see clearly what we do, the projects we develop and the wider impact we make. There are lots of case studies, testimonials and up to date statistics on how we deliver, collaborate and make a difference and I'd encourage you to have a look.

Finally, in relation to our team and Board, it's also been a busy year. We moved to a new office at 8 Melville Street and we further strengthened the team with a new Construction Manager in place, focussing on quality across our projects. Garry Sheret from Midlothian Council stepped down as our public sector shareholder on the Board and we are in the process of appointing a new Director.

We look forward with enthusiasm to a positive pipeline of work in the coming year, with exciting opportunities for innovation, including our first low carbon Passivhaus project at Blackridge Nursery in West Lothian (see P24).

As we emerge from the pandemic, it is likely that social infrastructure will become an engine for rebuilding the economy. The need for investment in social infrastructure, especially in the area of health and social care, will be more apparent than ever. In the Hub programme, Government and local public sector partners have the perfect vehicle for implementing that investment.

I would like to thank all of those who have contributed to our achievements this year. We look forward with confidence to the year ahead, working together across the South East Territory to ensure the realisation of Hub South East's aim to become our clients' Development Partner of Choice.



PROJECTS 2019/20

**£82m
COMPLETE**

**£82m
UNDER
CONSTRUCTION**

**£144m
IN DEVELOPMENT**



JEDBURGH GRAMMAR CAMPUS

“The new Jedburgh Grammar Campus is amazing, and the children who saw the facility this week were also blown away with the equipment and facilities on offer such as the sprung floor dance studios and technology rooms. There is also state of the art security measures in place for all children and a range of fantastic sports facilities.”

Councillor Shona Haslam, Council Leader, Scottish Borders Council

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

The new campus replaces all three schools in the town and has provision for nursery, primary and secondary school children, as well as a range of community facilities, including a multi-use games area, 2G hockey pitch, 3G sports pitch, running track, external changing pavilion and rural skills area.

Client	Scottish Borders Council
Value	£32m
Tier 1 Contractor	BAM Construction
Completed	March 2020

Whilst learning is at the core of the Campus, delivering education simultaneously to a wide range of learners, the building itself is part of the regeneration of this Scottish Borders town and is being delivered to address a number of priorities around employment, connectivity and health and wellbeing.

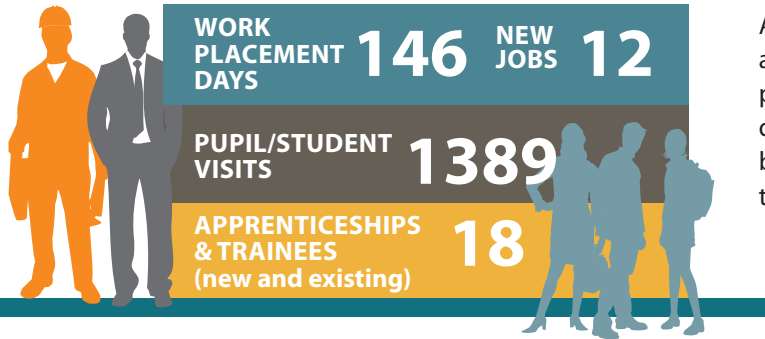
This is the first project delivered in partnership between Hub South East and BAM Construction, since BAM joined the supply chain and it was delivered on schedule and within budget.

DEMONSTRATING THE FLEXIBILITY OF THE HUB MODEL

This project is demonstrable evidence of the flexibility of the Hub model as this was a major factor in ensuring its success.

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.

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, showing what can be achieved when the true partnership working ethos of the Hub initiative is embraced.



LOCAL OPPORTUNITIES AND COMMUNITY ENGAGEMENT

Ensuring individuals and businesses in the Scottish Borders were able to get as involved as possible in the project was important throughout the delivery of the new Campus. Here are just some examples of this in action:

As part of education engagement, our contractor worked closely with the existing Jedburgh Grammar School, in particular with the school's STV news group. The group attended the site regularly to record progress and capture video footage, which they shared with the community on the School's You Tube channel. Accessing a live site afforded them the opportunity to gain experience in dealing with a client, as well as interviewing, filming and editing skills.

We actively encouraged participation in local information events and site tours. In addition to local school pupils and staff tours, site tours were arranged as part of Doors Open Day. As demonstrable evidence of the community's

engagement with the project, all tickets for tours of the site were reserved in record time and each tour was at capacity.

Our contractor also linked up with DYW Borders and supported the Right Skills, Right Job employability programme, helping more than 100 pupils with interview preparation, as well as attending career fairs and delivering talks on construction management and engineering.

BAM Construction also supported Jedburgh Primary School to enter the UK Wide Considerate Contractors Big Build competition, helping the P4 pupils create a model of St. Basil's Cathedral in Red Square, Moscow. The entry received a runners up award!

Using a local supply chain is also an important way to ensure local businesses benefit and to realise economic reinvestment in the area. Examples of this include Borders based RJT Excavations being involved in early site work, as well as local companies taking on scaffolding, brickwork and concrete works.

EAST LOTHIAN COMMUNITY HOSPITAL

“This hospital has been highly anticipated and will bring huge benefits for patients and carers in East Lothian. In particular, it will enable people to have a range of procedures in a brand new, purpose-built hospital for which they previously had to travel to Edinburgh or further afield.

It is also a real asset to the community, with public rooms available to local groups, local radio providing hospital broadcasting and the hospital’s grounds open to all. I would really like to take this opportunity to thank our project team, our staff, our local artists and the community for their collaboration and support for the new East Lothian Community Hospital. They have done a fantastic job.”

Alison MacDonald, Chief Officer, East Lothian Health and Social Care Partnership

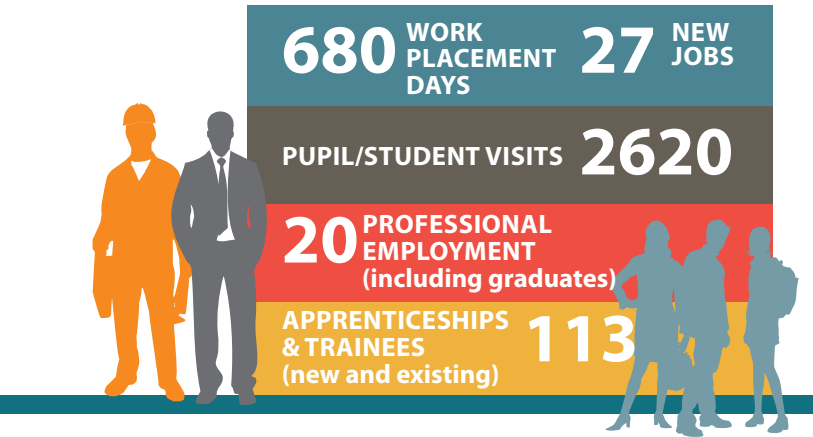
Client	NHS Lothian
Value	£69m
Tier 1 Contractor	Morrison Construction
Completed	September 2020 (outwith reporting period)

East Lothian Community Hospital is the largest value Hub project in Scotland. It is a three storey, 22,000sqm purpose-built hospital, 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. 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 was handed over in phases to NHS Lothian, allowing patients to access new facilities on site as soon as possible. The outpatients department was successfully handed over in 2018, with the remainder of the hospital following in late 2019. The completion of this latest phase of the development means that patients and staff have access to Mental Health services, IV treatment and an increase of inpatient beds, as well as other new and existing services already provided in East Lothian.

Demolition of old hospital buildings on site, alongside external landscaping and car park were complete in September 2020.



Project completed during the writing of this report so figures may change.



HUB SOUTH EAST ADDING VALUE

Hub South East became involved in this project more than eight 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.

“We are delighted with this fantastic new facility which will help us achieve our goal of delivering high quality care, as close to home as possible.

It’s a great example of integrated planning and delivery.”

Tim Davison, Chief Executive, NHS Lothian

QUEENSFERRY HIGH SCHOOL

“I am delighted to see Queensferry High School enter construction which is embracing lower carbon technologies to help towards other Scottish Government policy objectives and is an innovative example of delivering against one of the key programme principles of building schools which are greener, more sustainable and environmentally efficient.”

Gemma Boggs, Education Delivery Director, Scottish Futures Trust

The 1200 pupil capacity Queensferry High was under construction during this reporting period and was nearing completion when construction sites across Scotland were suspended due to Covid-19. An established relationship of co-operation between all parties meant that as soon as was safe to do so, the new building was complete and at the time of writing staff and pupils have started the new school term in their new building and feedback is positive.

Client	City of Edinburgh Council
Value	£40m
Tier 1 Contractor	Morrison Construction
Completed	July 2020 (outwith reporting period)

To allow pupils to explore the school without physically being there beforehand, the innovative use of BIM technology by Scottish Futures Trust saw the development of a virtual induction model. If you want to explore the school online, visit our website and look at the Queensferry High school project page.

The new school was built on the old school’s playing fields so the next stage is demolishing the old school, landscaping and a new pitch created on the site.

Queensferry High School 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.

LOW CARBON PILOT PROJECT

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.

ENSURING HIGH QUALITY

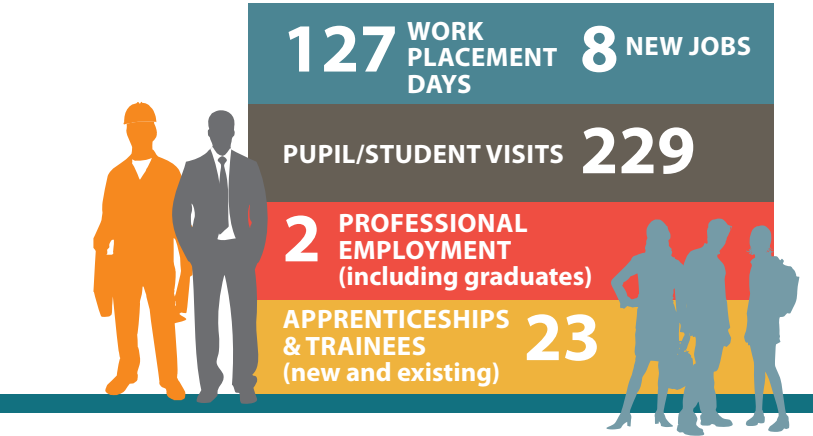
Hub South East has a robust system and checks in place, but we cannot be complacent about the issue of quality and we are continually aiming to strengthen our offering to ensure the highest possible quality standards on our projects.

Queensferry High School is an excellent example of this in action, as we implemented a range of enhanced quality initiatives on site, as part of a pilot project with SFT and the City of Edinburgh Council, 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.
- Ensuring single point responsibility, with each trade work package allocated a specifically qualified site manager.

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.

These initiatives have worked well on this project and as a result we are rolling these enhanced quality initiatives out to sites in the future, with the new Castlebrae project already adopting all of these measures.



CASTLEBRAE HIGH SCHOOL

“We’re very excited about the new building. It will be much better suited to meet the needs of our young people and for the community. There will be more resources and facilities in the new build that will be much more open and welcoming for the whole Craigmillar community.”

Vincent Spicer, Depute Head Teacher, Castlebrae High School

“It’s been an amazing journey so far and the facilities in the new school help the journey to continue. The quality of the learning spaces, the community access to the school, and it being in the centre of the community will make such a difference for our learners.”

Norma Prentice, Head Teacher, Castlebrae High School

Client	City of Edinburgh Council
Value	£29m
Tier 1 Contractor	Morrison Construction
Due to Complete	Winter 2020/21

The new 700 capacity secondary school, which has the potential to be increased to 1,200, is being delivered in Edinburgh to replace the current Castlebrae High School.

The chosen site is directly next to the East Neighbourhood Centre and Library, a project we also delivered in partnership with the City of Edinburgh Council.

An important aspect of the design is the provision of a variety of spaces for learning activities to support collaborative and inclusive practice.

Externally there will be extensive landscaped areas for outdoor learning activities and a 3G artificial football pitch, which will be available for use by the local community outside school hours, as well as a community town square.



WORK EXPERIENCE FOR CASTLEBRAE PUPILS

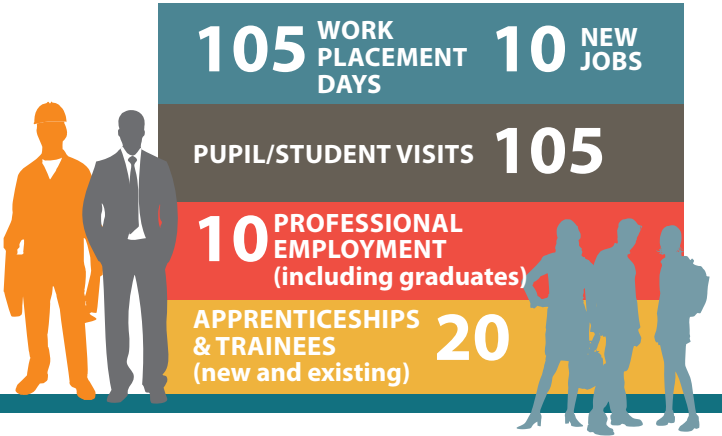
On all Hub projects we’re keen to support a range of community benefits and in particular where we’re replacing an existing school, it’s important that we ensure current pupils are given a chance to get involved in the

development and benefit from the opportunities presented by a live construction site.

Castlebrae High’s World of Work Week coincided with the sod cutting ceremony for the new school, so we were delighted to welcome two S3 school pupils - Ahmed and Hamilton – to work for the day as they learned about communications and PR.

Our Communications Manager worked with them, guiding them through the process of organising the photocall, filming, editing, writing press releases and using social media. Ahmed and Hamilton made a short video about the day and this was shared online.

There will be many more community benefits delivered throughout the project and we will ensure that local people and businesses are given opportunities to engage in the development as it progresses.



PROJECT UNDER CONSTRUCTION

JARDINE CLINIC



Client	NHS Lothian
Value	£4.6m
Tier 1 Contractor	Morrison Construction
Due to Complete	Currently on Hold

This project involves the refurbishment of wards in the Jardine Clinic, on the Royal Edinburgh Campus to allow for the provision of a modern, fit for purpose facility to accommodate a range of NHS services.

These include Integrated Old People's Services (incorporating an out-patient clinic, dedicated therapy space, a treatment area and admin space for staff) as well as Inpatient services.

This work is part of a wider campus redevelopment (of which we have already successfully delivered a £45m Phase 1 and are currently developing future phases).

PROJECT UNDER CONSTRUCTION

RISING ROLLS 7 FOXCOVERT PRIMARY



Client	City of Edinburgh Council
Value	£0.9m
Tier 1 Contractor	Morrison Construction
Due to Complete	Winter 2020

Over six years we developed 25 new school extensions to assist our client in tackling rising school rolls. This year will be our 26th facility as we deliver the 7th Year of our Rising Rolls programme as we create additional space at Foxcovert Primary.

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 and this an excellent example of working with a client to develop creative, flexible solutions for service delivery issues.



PROJECT UNDER CONSTRUCTION

ST MARY'S NURSERY

At St Mary's Primary School in Bathgate, West Lothian, we're constructing a modern, purpose-built centre for early learning and childcare. The building will provide up to 64 spaces for early learning and childcare for 2, 3 and 4 year olds, and also includes an enhanced outside play area.

Client	West Lothian Council
Value	£1.2m
Tier 1 Contractor	Morrison Construction
Due to Complete	Winter 2020

This project is part of a £12 million investment programme in pre-school education in West Lothian between 2019 and 2021, to ensure enough pre-school capacity to meet the Scottish Government's pledge of 1,140 hours of free early learning and childcare per year for every eligible child.



PROJECT UNDER CONSTRUCTION

BLACKRIDGE
NURSERY

We're excited to be delivering the new Blackridge Nursery in West Lothian - a project which will deliver the **first public non-domestic building designed and constructed to Passivhaus standards in Scotland.**

As all new capital projects are being challenged to drive towards higher performance whilst reducing operational maintenance and running consists over the building lifecycle, an increasingly popular solution is to design to Passivhaus standard. This is a quality assured process, developed by the Passivhaus Institute in Germany, and

Client	West Lothian Council
Value	£1.9m
Tier 1 Contractor	Morrison Construction
Due to Complete	Early 2021

provides a high level of occupant comfort whilst using very little energy for heating and cooling.

As we are building this alongside an early years centre in Bathgate using a traditional approach, there can be a direct comparison of process, construction methods, costs and performance. This 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.

PROJECTS IN DEVELOPMENT

During this reporting period we've been developing projects for clients in the South East territory worth more than £140m.

These include a range of health and education facilities and two projects in West Lothian have now progressed through development and at the time of writing, although not within this reporting period, are now progressing on site. After the success of West Calder High School, we're delighted to have been entrusted with our client's latest significant investment in its learning estate:

Calderwood Primary School is a £14.8m brand new purpose built non-denominational primary school (fully funded by developer contributions from the new Calderwood development) and will provide primary education for up to 462 primary and 128 nursery pupils.

Winchburgh is one of West Lothian's three Core Development areas which will see a significant number of new homes being built over the next ten years. **The £60.7m Winchburgh Schools** project includes: A replacement Holy Family Primary School with initial capacity for two hundred and thirty-one pupils – this includes a 64 place nursery; A non-denominational secondary school – Winchburgh Academy – with initial capacity for six hundred and sixty pupils; A denominational secondary school – Sinclair Academy – with initial capacity for six hundred and sixty pupils; And a shared physical education and community block with floodlit synthetic and grass sports pitches, and a 25m swimming pool.



STRATEGIC PARTNERING SERVICES

Key to the success of Hub South East is our continued ability to deliver quality facilities, on time and on budget. To ensure every project can be delivered on the best footing, we provide strategic support and guidance to our partners, identifying innovative, practical and affordable solutions and opportunities for new ways of working.

Whether masterplanning, estate rationalisation or new models of care, our development team works in the background, assisting clients to achieve key local and national policy objectives. Work carried out under strategic support has been instrumental in unlocking and making possible health, education and health & social care projects across the Territory.

Here are just some examples of commissions we’ve been working on with clients during this reporting period.

EARLY YEARS INNOVATION – CITY OF EDINBURGH

Following the success of the Leith Meanwhile Project, completed in 2018 (which in addition to redeveloping a listed building into modern collaborative office space, involved repurposing shipping containers into community artists’ studios), we were invited by the City of Edinburgh Council to develop the shipping container proposal to provide an affordable solution for six new Forest Kindergartens. This is assisting the Council in meeting the Scottish Government’s Early Learning and Childcare requirement to increase free learning for three and four year olds and eligible two year olds to 1140 hours each year.

Hub South East has developed the containerised Forest Kindergarten project from the outset, providing support to the Estates team in the Council to review and advise on suitable sites and engaging our supply chain to establish affordability and value for money. The project initially provides six new kindergarten facilities, with the potential to quickly increase the number of locations should the need arise.

“After the Leith Meanwhile development, with support and advice from Hub South East, we have used the lessons learned on this project to inform the roll out of our Forest Kindergarten programme across the city. We’ve offered outdoor education as part of a blended early learning and childcare provision since January 2017 in two heritage sites in Edinburgh, but in order to extend this to allow for an increase in pre-school hours, we need to provide ancillary support accommodation on site for the storage of resources and to provide welfare and shelter for staff breaks and children on occasion. Using shipping containers is a great flexible solution which helps us achieve our objectives. This is an exciting project which offers a range of opportunities for children to positively engage with the natural world, increase health and fitness, and improve academic performance and as we go through community consultation, we’re excited to see how it progresses.”

Robbie Crockatt, Learning Estate Planning Manager,
The City of Edinburgh Council

THE FUTURE OF PRIMARY CARE – NHS Lothian

Ongoing strategic support services are being provided to NHS Lothian and a number of Integrated Joint Boards to identify suitable sites for Primary Health Care that will meet Scottish Government objectives to increase the number of GPs in Scotland by at least 800 by 2028, and see the purchase of all GP premises in Scotland by Health Boards completed by 2043.

Our in-house estates capability enables liaison across and between our partners’ estates teams, private developers, landowners and property agents to source sites suitable for the development of new GP practices.

There are currently eight sites in development, with a search progressing for a further six locations and one site currently under construction.

COMMUNITY RECYCLING – MIDLOTHIAN COUNCIL

We are providing Midlothian Council with strategic advice to financially appraise, design and provide innovative ideas to develop a new neighbourhood recycling centre in Penicuik.

We have started the process to engage with the community and our supply chain to provide the Council with a comprehensive feasibility study to develop the new facility.

“The Council team has collaborated well with Hub South East and the project advisors to work through the early concept and briefing work required for this project. Using Strategic Partnering Services before proceeding to the more formal stages of the Hub process, gives both sides clear benefits. We have used this approach before and it was a natural choice to turn back to Hub South East for our care projects and also the emerging work at Peebles High School following the recent fire.”

Steven Renwick, Projects Manager, Major Capital Project, Scottish Borders Council

NEW MODELS OF CARE – SCOTTISH BORDERS COUNCIL

We are providing Strategic Support Partnering Services to Scottish Borders Council in relation to the development of two new sixty bed care villages in Hawick and Tweedbank.

The partnering approach adopted reflects the extensive strategic investigation work undertaken by the Council and its partners over the past three years regarding older people and their future care and accommodation needs.

The work undertaken jointly by the Council, its delivery partners, service providers and Hub South East, has involved the investigation of new models of care based on internationally recognised and acclaimed best practice that includes the Dutch Hogeweyk model in Amsterdam. This has resulted in a unique Borders approach that is being considered by Care Regulators and Commissioners of Care, as an exemplar that might not only set a benchmark locally, but for care delivery throughout Scotland.

The project has involved a number of study trips to Holland and detailed consultation with care providers and commissioners regarding the design, and improvements in the approach to delivering care. In light of the recent impact of Covid-19 in care settings, the Council is readdressing key aspects of the design to ensure that pathways for infection and cross contamination are fully considered in the finalised proposals.



PERFORMANCE

Overall, in relation to its performance against 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 2019/20.



NEW COMMUNITY BENEFITS MODEL

Within this reporting period, Hub South East has been working with SFT in the development of a new Community Benefit model which enables a more specific targeted measurement of value delivered in local communities with Hub South East construction projects. The approach is referred to as Social Value, and it is becoming a recognised and regularly adopted method within the construction industry.

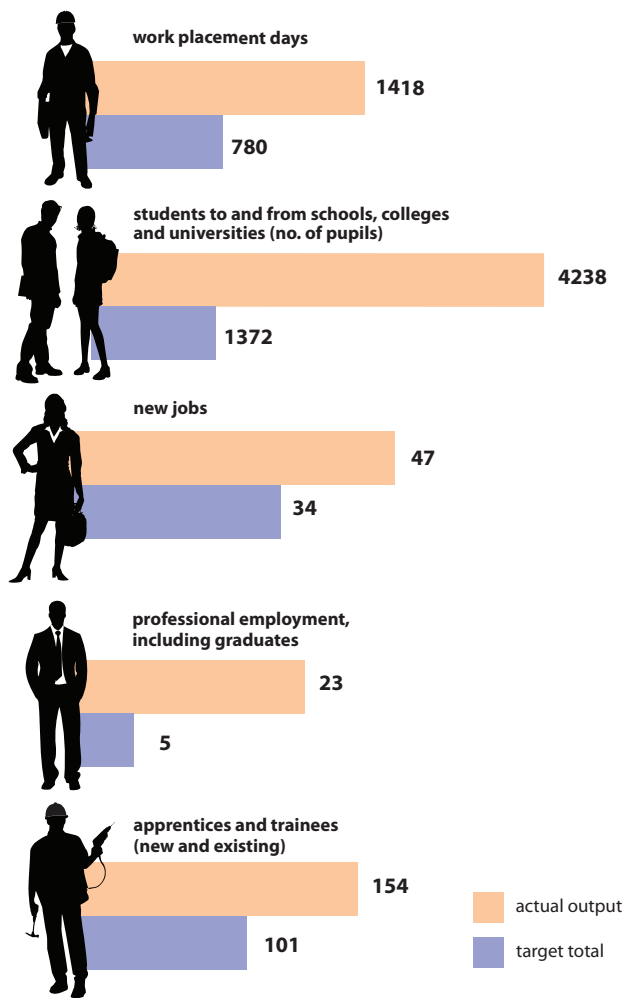
The specific tool adopted for the Hub Framework is the Social Value Portal (SVP) and this has been consulted on and agreed with all clients, Tier 1 contractors, Territory Partnering Board and all Hub territories. SVP is a bespoke suite of Themes, Outcomes and Measures (TOMs) which enable the development of locally targeted initiatives and investment within the communities. From April 2020, all projects will move to SVP measurement. The existing Community Benefit KPIs will run alongside until Social Value is fully implemented (anticipated to be around 12 months). At this point, a review will be undertaken to establish whether the new minimum thresholds for Social Value can replace the Community Benefit suite to form the basis of measurement and KPI satisfaction.

COMMUNITY BENEFITS 2019/20

Delivering Community benefits in addition to the bricks and mortar of a project is key to Hub's ongoing success and this year, as previous years, 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.

On projects completed (Jedburgh Grammar Campus) and almost complete (Queensferry High & East Lothian Community Hospital) in the reporting period, we have again exceeded what we set to achieve:



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 from BAM and Morrison Construction include:

- Supporting the Christmas Toy drive appeal for Borders Mission Christmas in 2018 and 2019 – donating over 200 toys.
- Donating £1000 to sponsor Queensferry Rowing Club.
- Donating a set of new strips to the new football team for the new Queensferry High School.
- Staff volunteering to the local primary school in Queensferry to build planters and their poly tunnel.
- Donating £100 to Borders College Charity Golf Tournament.
- Sponsoring the Jedburgh Games and providing £200 for the Pipe Band performance
- Donating £1000 to sponsor the Queensferry Gala.
- Donating £1000 to sponsor the stage for the Christmas at Queensferry event.

Supply Chain member, Baker Hicks, also made a £500 donation of their tuck shop profits to Grassmarket Community Project after finding out about the fantastic work our charity partner does.

The Hub South East team has been doing its bit too. As well as organising a successful charity golf event raising £20k (see P33), the team has donated to local foodbanks and toy appeals and taken part in a rowing challenge for Morrison Construction's Fundraising efforts. We have also donated raffle prizes to Women in Construction and Health in Mind and we supported Hub West's Winter Warmer Appeal by donating jackets and wellies for children.



FUTURE SCHOOLS AND JUNIOR HUB



We're always looking for opportunities to support our clients outwith projects themselves and we were excited to be approached by the City of Edinburgh Council asking us to partner with them to support their Future Schools Project Award.

Our involvement means that a vision by primary pupils for creating an inspiring school space to learn in will become reality after winning an innovative new competition run by the Council. The collaborative project involves pupils and staff from across the city coming up with innovative ideas to create new classroom designs and learning environment.

Fourteen schools submitted their entries, with five shortlisted entries voted on by a judging panel, (including Hub South East's Director, Richard Park) and delegates at the Education Building Scotland Conference in November 2019.

St John Vianney RC Primary School pupils came up with the idea of transforming their outdated Audio Visual room into

a flexible learning area for the whole school to use for different activities. Excited pupils from the school were at the conference when John Swinney, Cabinet Secretary for Education, announced their successful design was going to be created thanks to a partnership between the Council and Hub South East. This will in essence see a 'Junior Hub' project team set up involving pupils to oversee their design through to completion with the room containing new technology, a teaching kitchen, quiet space and different storage areas.

At the start of 2020, members of the Hub team started working with pupils at the school on their ideas, taking part in presentations about project roles and getting involved in design workshops, but the closure of schools due to Covid-19 meant that the project was postponed. We look forward to continuing with this innovative partnership project when the school is able to do so.



CHARITY EVENT FOR GRASSMARKET

During this reporting period we held our third charity golf event for our Charity Partner, Edinburgh based Grassmarket Community Project. Sponsored generously by Morrison Construction and BAM Construction, we held the 2019 event at Craigielaw Golf Course in East Lothian.

With 22 teams taking part in the day, and even more sponsoring holes and donating raffle prizes, we were yet again overwhelmed with the generosity of our fantastic supply chain.

Such generous donations meant that we were able to hand over an early Christmas present of £20,000 to GCP, meaning almost £60,000 has now been raised over three events. In recognition of this partnership, GCP's Chief Executive, Jonny Kinross, presented Hub South East with a plaque on its supporters wall.

We also continue to support GCP throughout the year, as our Communications Manager, Joanne MacDougall, uses her company volunteering days as a Director on the charity's Board. We've also held discussions with all three of our Tier 1 Contractors to encourage the use of GCP for site catering. There are a number of ideas in development and Graham Construction has already awarded the contract for one of its Edinburgh projects to GCP.

"We are delighted to have received such an incredibly generous donation from Hub South East and its supply chain. This will help us build a much-needed extension to our building – providing 20% more space and increasing the number of activities, as well as the number of people we can support at any one time."

"The Grassmarket Community Project has never been more needed, with many more people experiencing social isolation, mental health issues and people who are homeless, have disabilities or who are struggling needing somewhere to go and someone to turn to."

"The funds raised by Hub South East will help ensure people can access bespoke support, training and a hand-up when they need it most. Thank you to everyone that played, sponsored and donated to this incredibly successful fundraiser – it's great to know that Hub and its supply chain share our commitment to creating an inclusive society and allowing everyone to reach their true potential."

GCP's Chief Executive, Jonny Kinross

SUPPORTING SMEs

We remain committed to ensuring that local businesses benefit from Hub projects being delivered in their area.

More than three quarters of the work packages on the completed Jedburgh Grammar Campus this year, were awarded to Scottish SMEs. Across our 10 years since inception, **82% of construction work packages have been 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.



"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 – Jedburgh Grammar Campus Project

SUPPLY CHAIN

As well as three Tier 1 Contractors, employing around 1400 staff in Scotland, we have a large, professional supply chain of 98 companies to call upon to assist clients in delivering community infrastructure developments in the South East Territory. These include 3 FM contractors, 34 Architects, 17 Mechanical & Electrical Specialists, and 18 Civil & Structural companies.

WORK EXPERIENCE WITH HUB SOUTH EAST

In addition to the work experience placements on site during construction, we are keen to get involved ourselves and this year, as well as supporting Castlebrae pupils during their World of Work Week (see P21) the Hub team welcomed Emily - a fifth year pupil at Mary Erskine School - as a Communications Assistant.

Emily had an interest in design and media and wanted to gain an understanding of what kind of work this entails, so over her two week placement she worked with our Communications Manager to undertake a range of tasks including filming on site, editing, client liaison, design, photograph, writing, proof reading and social media.

"My work placement in Hub South East has been not only a great learning experience but it helped me gain a better understanding of the overall way that the Hub programme works to help improve the lives of people by giving them better spaces and facilities. It has helped me gain an idea of what kind of work that I would like to go into after university, and has given me valuable skills for the future."



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 19, on the Queensferry High School project we successfully trialled a range of enhanced quality initiatives and these are now being rolled out across future projects.

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



"We are delighted to finally welcome our children and young people through the doors this morning and are in no doubt that it has been worth the wait. There was a wonderful buzz in the Campus this morning, with children already making use of the fantastic facilities on offer."

Susan Oliver, Jedburgh Grammar Campus Headteacher

"We've had great feedback, especially on the ambiance of the new building. The access, atrium and cafeteria all enhance patient and visitor experience and are well used. The long aspects of the wards provide great rehab and exercise opportunities for patients. Especially those in long term and dementia care. The large windows and open aspect to the grounds and gardens give a sense of community and there has been great enthusiasm by local groups to use the new shared spaces. We're also delighted to hear that third sector agencies are benefiting with an increase in volunteers and carers signing up."

Miriam Anderson, Capital Planning Programme Manager, NHS Lothian



115
Education facilities delivered

£358M
Education projects under construction

7M



CROSS HUB COLLABORATION

With 5 Hub companies across Scotland, we ensure that we work closely together to share best practice, as well as promote the programme. Each year we collectively have a stand at the Education Building Scotland conference to demonstrate our achievements and demonstrate the benefits of the programme to clients across the country.

From communications to operations, or chief executives to chairs, there are a number of working groups where we share ideas and identify opportunities for working together. Over the years we have collectively contributed to Government calls for evidence and this year has been no different as we have submitted collective responses to the Infrastructure Commission for Scotland's construction enquiry. Our Chief Executive, Paul McGirk, is now Executive Chairman of Hub North and this further strengthens our ability to work in partnership. We will continue to work with our colleagues in other Hubs to further advance the programme.



PARTNERING & COLLABORATION

Hub South East is committed to working hand in hand with clients and stakeholders to practice true partnership working. 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 2019/20, we interviewed seven of our clients plus SFT. Hub South East has a pass rate of 100% and has therefore met this KPI.

Whilst we are encouraged 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. 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.

Other opportunities this year for dialogue with clients, came at events we arranged. One was our team Strategy Day, where we invited clients along to help us plan for the future so we can develop services our clients want and need. The other was A Learning Conversation with Professor Stephen Heppell.

Because it happened just before print of the annual report last year, we included information on it then, but given it's part of this reporting period, here's reminder of this event:

In May 2019 we 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 the then Chief Executive of East Lothian Council, Angela Leitch and Depute Chief Executive Elaine Cook (West Lothian Council) involved in the panel.

This event was followed up with a more focussed group of educationalists looking at continued opportunities for joint working moving forward and we continue to meet with educational leads in local authorities to ensure that through the planning, design and construction of new projects that we are learning from best practice and sharing this with clients our supply chain and other stakeholders.

A new South East Education Collaborative, chaired by Dr Elaine Cook, is being set up to take this forward.

AWARD SUCCESS

2019/20 has been another successful year for Awards for Hub south East and its partners.

At the 3rd Education Building Scotland Conference Awards in November 2019, West Calder High School scooped the 'Project of the Year' Award. This title recognises its innovative design and the collaborative working which made the project such a success.

We followed this with more success at February 2020's Scottish Property Awards where Wallyford Primary School won the much coveted 'Public Development of the Year' Award. This is the 2nd time a Hub South East Project has won this major accolade (the last being 2017's win for James Gillespie's Campus in Edinburgh) which is testament to the quality of design, construction and wider impact of the projects we deliver.

We are also shortlisted in the 2020 Partnerships Awards, with the ceremony due to take place in December after it was rescheduled from May. Hub South East is shortlisted in the Sponsor Developer of the Year category (which we won Gold in 2018) and both our Jedburgh Grammar Campus and Queensferry High School are shortlisted in Best Education. Fingers crossed!



PARTNERSHIPS AWARDS 2020

Finalist Jedburgh Community Campus
(Best Education)

Finalist Queensferry High School
(Best Education)

Finalist Hub South East
(Sponsor/Developer of the Year)

SCOTTISH PROPERTY AWARDS 2020

Winner Wallyford Primary School
(Public Development of the Year)

Finalist East Lothian Community Hospital
(Healthcare Development of the Year)

EDUCATION BUILDING SCOTLAND AWARDS 2019

Winner West Calder High School
(Project of the Year)

Finalist Newbattle Community Campus
(Project of the Year)

Finalist West Calder High School
(Pupil/Student Experience)

Finalist Hub South East
(Consultancy of the Year)



VALUE FOR MONEY

Our Key Performance Indicators (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:

£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.

£1.3m

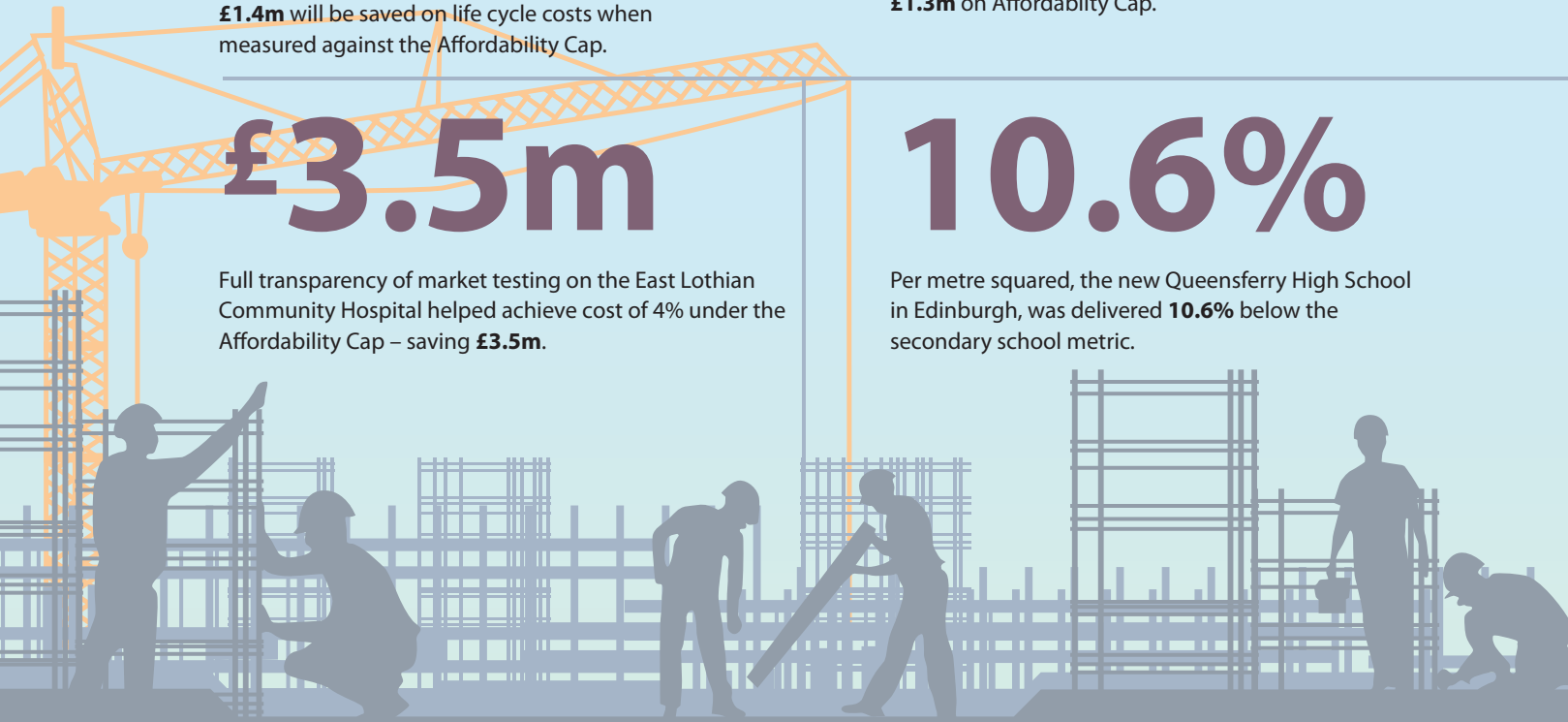
Stage 2 prices on Projects this year resulted in an aggregate saving of **£1.3m** on Affordability Cap.

£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**.

10.6%

Per metre squared, the new Queensferry High School in Edinburgh, was delivered **10.6%** below the secondary school metric.



HEALTH & SAFETY

With Accident Incident Rates (AIR) of well below the threshold of 0.5, 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 the two projects completed within this reporting period (Jedburgh Grammar Campus and Phase 3 of East Lothian Community Hospital), we successfully handed over facilities 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 Key Performance Indicator (KPI) was passed.

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 BREAAAM are targeted, we ensure that the facilities we deliver comply with these.

We are also keen to help our clients realise Scottish Government targets in relation to the environment and low carbon. You can read more about our low carbon approach at Queensferry on P18 and Passivhaus at Blackridge on P24.

In addition, during this reporting period we gathered evidence on behalf of our Melville Street office in relation to sustainability. As a result of the work we do individually and as a team, our office was awarded a Gold Office Sustainability Award.

RESULTS

ABSTRACT OF ACCOUNTS

The information below is extracted from the audited financial statements for the year to 31 March 2019.

The Company has reported a loss for the year of £179,000.

The net asset position remains positive at £461,000.

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 2018	Year ended 31 March 2019
	£000s	£000s
Profit & Loss Account		
Turnover (development fees, plus payments related to D&B contracts)	13,613	28,377
Cost of Sales (Includes payments to D&B contractors)	(11,896)	(27,184)
Gross Profit	1,717	1,193
Administration Expenses	(1,199)	(1,376)
Net Interest Payable (mainly on Shareholders Working Capital Loans)	-	1
Profit for year before Tax	518	(182)
Corporation Tax	(98)	3
Retained profit for year	420	(179)

	As at 31 March 2018	As at 31 March 2019
	£000s	£000s
Balance Sheet		
Total Assets	4,236	2,510
Current Liabilities	(3,596)	(2,049)
Total Assets less current Liabilities	640	461
Long Term Liabilities	-	-
Net Assets	640	461

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