

Impact Assessment and Evaluation of the hub Programme

Summary Report

The hub Impact Assessment is an independent evaluation of the hub Programme undertaken by Scottish economic and social development consultants EKOS Ltd. Informed by an in-depth consultation that captured feedback from almost one hundred stakeholders along with a review of hub Programme data, the study assessed the impact of the hub programme in its first ten years of operation.

The Scotland-wide hub Programme was established in 2010 and brought local authorities, health boards and blue light services together with private sector construction firms to form an innovative partnership to deliver new community infrastructure such as health centres, hospitals, schools, cultural facilities, care homes and public sector offices.

The hub Programme is split across five geographical areas (South East, North, East Central, West and South West) known as Territories. Each is managed by an independent hub Company (a hubCo), a standalone entity with its own dedicated staff team and oversight by a Board of Directors, taking input from an independent Territory Partnering Board comprising all of the public sector Participants in each hub Territory. Any profits are retained for use in meeting the hubCos' objectives. Public sector infrastructure experts, the Scottish Futures Trust (SFT), co-ordinate and manage the Programme from a national perspective and chair the National hub Programme Board that provides the Programme's strategic direction.

Each hubCo is set up as a 20-year partnership between the public (40% share) and private (60% share) sector partners. For the first ten years, hubCos were mandated as the first option for delivery of qualifying NHS projects, and were the sole delivery route for revenue-funded NHS primary care and schools projects up to 2019.

The hub Programme has delivered, or has in development, community infrastructure projects worth nearly £3.5bn. Over the first ten years the five hubCos have delivered over 200 modern, high-quality community projects, with many winning national and international awards. In addition, the Programme has delivered substantial wider benefits. By 2023, construction of the public sector buildings will have supported c. 27,000 annual posts, securing £750m net wages to Scottish workers and delivering £1.8bn of GVA to Scotland's economy. The study found that there

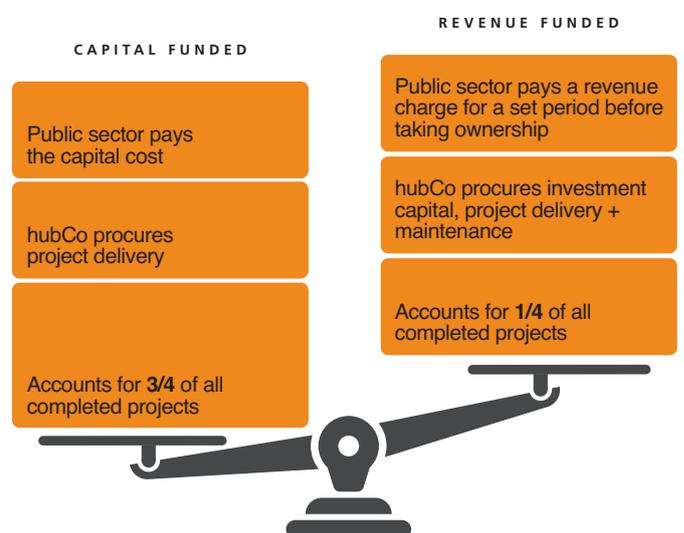
is considerable support for the hub Programme and identified a strong desire to see it continue. It specifically recommended that the Programme should continue. In looking forward, stakeholders both recognise the impacts and benefits that it has achieved over the past ten years and wish it to continue to evolve in line with current and emerging Scottish Government policy priorities.

Programme Activity

Over the past ten years, the public sector has procured the delivery of community infrastructure projects using the hub Programme through capital and revenue funded investment.

Project activity responds to the needs of the public sector stakeholders. Between June 2010 and December 2020 over 200 projects were completed at a total capital value of £2.2bn, with a further 70 projects currently at the construction or pre-contract development stage (£1.3bn).

EKOS found that the hub Programme has performed well against its original aims and objectives. It has delivered substantial social impacts and community benefits, and there is strong support from across all the stakeholder groups for it to continue. One of the key benefits that the public sector identified is the high level of certainty that hub projects give, both in cost and timescale for



Economic Wealth	Jobs	Salaries	Wage Premiums	Qualifications
£1.8bn net direct GVA for the Scottish economy	c.27k annual construction posts	£750m net wages for Scottish workers	£39m lifetime earnings from up-skilling	Over 850 NVQs / SVQs gained

delivery. All buildings have achieved BREEAM very good with the study noting that the environmental performance of the new community infrastructure facilities will have a substantially lower carbon footprint than the stock of older properties it has replaced.

The hub Programme has also created clear and quantifiable benefits for the public and private sector partners. They report that working on hub projects has helped to improve their skills, knowledge, staff satisfaction and retention. This is particularly so as the public sector evolves into a more “intelligent client” role and in giving the private sector a better understanding of the market requirements for community infrastructure projects, these skills have been transferred into non-hub public sector project activity, further expanding the beneficial impacts delivered by hub on projects delivered to date and in construction (up to 2023).

Particularly noteworthy is the success the Programme has had in encouraging the adoption of community benefit clauses in construction contracts for hub, and its instrumental role in “normalising” their use in non-hub projects. In 2020, the five hubCos began reporting against SFT’s Social Value model to quantify the wider impacts of the programme to society against an agreed set of bespoke themes, outcomes and measures. We created the TOMs which drive the social value assessment.

In addition to project delivery, hubCos provide access to technical specialists through their supplier frameworks and undertake feasibility, scoping and other professional services. This work is either funded directly by the public and private sector partners or through “enabling funds” made available by hubCos to public sector bodies to support project development, demonstrating one of the ways hubCos use their surplus funds to support their overall purpose.

In 2015, the Hub Community Foundation (HCF) was established as a charity that raises money for those in need through the right to invest in a number of revenue funded projects that were delivered by the hubCos. HCF seeks to create long-term employment opportunities such as apprenticeships, training or work experience which are directed towards helping young people aged between 12 and 21.

HCF has raised in excess of £3m which has been used to establish the Building Brighter Futures Fund. After a rigorous application process, the Building Brighter Futures Fund is already providing

over £1 million to 10 different charities, to help reduce youth unemployment across Scotland.

The Future

The hub Programme has performed very successfully against particularly ambitious objectives and substantially improved the experience enjoyed by the end-users of community facilities. It is a complex programme delivering at national level to meet strategic national objectives, but with all collaboration and partnering activity happening at a regional and local project level to meet specific local objectives. To have maintained solid support after ten years is a major achievement in itself, demonstrating that stakeholders continue to have high confidence for the Programme’s future.

The level of activity delivered through the hub Programme is ahead of its original investment profile, services are now being delivered in bespoke, high-quality facilities and a wide range of quantifiable and qualitative benefits have been achieved.

Reflecting the clear and consistent feedback from stakeholders, the core recommendation of the review is that hub should continue to operate as a national programme, delivering community infrastructure projects through the five hubCos. There is also a desire of both hubCos and their stakeholders to see it evolve and take a pro-active role to further advance the Scottish Government’s three principal policy objectives of net zero carbon, place and inclusive economic growth. In order to support this evolution, the report recommends developments in the areas of governance, operational arrangements and strategic issues.