

hub Programme Dashboard Definitions & Measurements





Introduction

The hub dashboard and the hub value for money dashboard contain a number of terms and measures which may be unfamiliar to those reviewing these important Programme performance summaries. This document provides definitions of the various terms incorporated within the dashboards. It also provides explanations as to how the measures used within the dashboard are calculated.

The objective of this document is to provide transparency to the approach which has been adopted in preparing the dashboard data and enable the performance figures to be fully understood.



Programme Value Definitions

Total Programme Value

The Total Programme value (£) of projects in the Programme and project numbers is the aggregated value/number of projects which at the date of preparation of this dashboard, are:

- (i) Operational, or
- (ii) In Construction, or are
- (iii) In Development (Stage 1, 2 or are on hold)

Projects which are defined as being Prospects are excluded from Total Value, Strategic Support Partnering Services are also excluded from this value. Also excluded from the Total Programme Value is the value of any projects which have been cancelled.

The £ value is calculated using the actual or estimated cost of construction and projected inflation, design fees and associated hubCo management costs associated with each project.



In Development

The In Development value (£) and number of projects is the aggregated value/number of projects which at the at the date of preparation of this dashboard have:

- (i) A New Project Request (NPR), which has been issued by a Participant and formally accepted by the relevant hubCo and which has started to progress through Stage 1 and Stage 2 of the Development process, having not yet reached Financial Close or the Construction stage; or are,
- (ii) On hold, following the issue and agreement of an NPR.

The £ value includes the estimated cost of construction and projected inflation, design fees and associated hubCo management costs associated with each project.

In Construction

The In Construction value (£) and number of projects is the aggregated value/number of projects, which at the date of preparation of this dashboard are:

- (i) Progressing on site, having reached financial close.

The £ value includes the agreed financial close cost of construction, design fees and associated hubCo management costs and a 1% risk allowance.

Operational

The Operational value (£) and project numbers are the aggregated value/number of projects, which at the time of preparation of this dashboard have:

- (i) Been constructed and formally handed over to the Participant for their beneficial occupation; and
- (ii) In the instance of projects which are to be completed in phases, the main phase of the work has been completed, handed over to the Participant, enabling beneficial occupation.

The £ value includes the agreed financial close cost of construction (including the standard 1% risk allowance), or, where available, the Final Account cost (which includes post Financial Close variations), design fees and associated hubCo management costs.



Prospects

The Prospects value (£) and number of projects comprise the probability weighted value of potential projects identified at the date of preparation of this dashboard which:

- > The hub Project Management Office (PMO) considers have the potential to become New Projects.
- > The probability weighted value is the assessment made by the PMO of the likelihood of each project becoming a New Project (applying 25%, 50% or 75% probability factors). These factors are informed by, for example, the hub Programme Management Office (PMO) knowledge of the relevant Participant's stated requirements, buying characteristics, funding likelihood and deliverability of the proposed project via the hub Programme.
- > The Prospect value reported within the dashboard is the aggregate value of the probability weighted projects e.g. a Prospect with an estimated development cost of £10 million which has a 50% probability of becoming a New Project is valued at £5 million.

Territory Value

The Total value for each Territory comprises of the Total value of projects (as defined above) which have been/are being delivered within each Territory. The percentage is representative of the Territory total value relative to the Programme's Total value (the aggregation of the Total value of each of the five hubCos).



Social Value Measurement

Social Value

To provide a more complete illustration of the impact that the hub Programme makes for the communities it serves, as of April 2020, the PMO adopted the SFT Themes, Outcomes and Measures (TOMs) to capture the socio-economic benefits delivered by the construction phase of individual projects delivered by hub. The TOMs utilise a set of proxy (monetary) values to enable the socio-economic benefit generated to be expressed in monetary terms. The proxy values are those used by the [***National Social Value Taskforce***](#). SFT has developed Guidance to the application of the [***SFT TOMs***](#) ensuring that they are appropriately applied to all projects in the Programme.

Prior to adopting the Social Value model, the Programme utilised a Community Benefits approach to identify the commitments which the hubCos were making to local communities for which they developed projects. These Community Benefits have, where possible been retrospectively converted to a monetised social value using appropriate conversion criteria. This conversion and the associated methodology are available [***here***](#).

The dashboard total is the aggregated value of the retrospectively monetised community benefits which the programme delivered pre-April 2020 and the social value which has been generated by the Programme, subsequent to that date.

Contracts Awarded to Scottish Small Medium Enterprises

The percentage of the Programme's construction work awarded to local and national (Scottish) SMEs is calculated relative to the prime construction cost of the projects which at the time of publishing this dashboard, are either in operation or construction across the Programme. The prime cost is the construction cost, net of main contractor preliminaries, overhead and profits and net of all design fees.



Education & Training Measurement

Graduate

Graduate employment numbers are calculated based on new graduates being employed by the Programme's Supply Chain, this employment being a consequence of involvement with the projects delivered via hub. It is recognised that not all of a Graduate's time will be dedicated to hub projects, as such a Graduate has to work for a minimum of 10 weeks on a hub project before being included within the recorded figure.

Apprenticeships

Apprenticeship numbers are based on the number of opportunities which have been created as a consequence of the Supply Chain's involvement with projects in the Programme enabling apprenticeships to:

- (i) Commence.
- (ii) Continue; and
- (iii) Reach completion.

The reported figure is the aggregated number of apprenticeships in each of these categories. It is recognised that not all of an Apprentices time will be dedicated to only hub projects, as such an apprentice has to work for a minimum of six weeks of a hub project before being included within the recorded figure.



Building better local services together

Construction of hub Projects is Supporting Over

Construction jobs supported is a measure of the number of jobs being supported within the wider economy at the date of publication of the dashboard. The reported number is calculated in accordance with the SFT paper entitled 'Construction Jobs Supported 2019-20', utilising the methodology noted in section 2.2 "Simple Programme **Methodology**". For the purpose of the dashboard, an average construction period of 14 months has been incorporated within the calculation formula, this being typical of the Programme's projects which are currently in the construction phase.



Cost Certainty

Project cost certainty is the measure of cost variance, expressed as a percentage, which is calculated by comparing the project development cost apparent at the point of measurement, and the agreed project Affordability Cap.

Programme cost certainty is the average of the aggregated cost certainty of the projects which are measurable within a particular development stage. Cost certainty is measured across the three key stages of each project and is expressed as an average of the aggregated percentage cost variance of the projects which are included within the particular development category. The Stages reported are:

- (i) NPR to Final Account.
- (ii) NPR to Financial Close; and
- (iii) Financial Close to Final Account.

The value for money dashboard reports on the range of projects which is currently being delivered and also those which were committed to and completed during the preceding five-year period. This is a rolling five-year period, and the sample of projects is measured against the 2019 cost certainty benchmarks, which were developed as part of the 10-year review of the hub Programme. As projects are continually progressing through the development stages, the sample size of each stage varies from one report to the next.



Programme Certainty

Project programme certainty is the measure of Programme variance, expressed as a percentage, which is calculated by comparing the actual project delivery programme, which is apparent at the point of measurement, against the delivery programme which forms part of the New Project Request (NPR).

Programme certainty is the average of the aggregated programme certainty of the projects which are measurable within a particular development stage. Programme certainty is measured across the three key stages of each project and is expressed as an average of the aggregated percentage programme variance of the projects which are included within the particular development category. The Stages reported are:

- (i) NPR to Construction Completion.
- (ii) NPR to Financial Close; and
- (iii) Financial Close to Construction Completion.

The value for money dashboard reports on the programme of projects which is currently being delivered and also those which were committed to and completed during the preceding five-year period. This is a rolling five-year period, and the sample of projects is measured against the 2019 programme certainty benchmarks, which were developed as part of the 10-year review of the hub Programme. As projects are continually progressing through the development stages, the sample size of each stage varies from one report to the next.