

Building the
path to success

Adeiladu'r llwybr
i lwyddiant



WEPco

Agenda for today

- Background and overview of WEPCo and MIM
- Introduction to WEPCo Team and its partner organisations
- Our philosophy and vision for the WEP Company
- Approach to partnership creation and programme delivery
- Social Value and delivery of Community Benefits
- Opportunities available to suppliers
- Key Questions & Answers





Llywodraeth Cymru
Welsh Government

Introduction to WEPCo and the Mutual Investment Model (MIM)

6th October 2020

Sara Humber

MIM Programme Director/
21st Century Schools and Colleges






Embedding and Delivering Policy



Llywodraeth Cymru
Welsh Government

WEPCo is a Joint Venture between Meridiam Investments II SAS and the Development Bank of Wales on behalf of Welsh Ministers. WEPCo's role is to facilitate the delivery of the capital equivalent of £500m of new education facilities using the MIM model. This revenue funded investment via the MIM represents an additional source of funding to the capital funded arm of Band B of the 21st Century Schools and Colleges Programme.

WEPCo is responsible for the Development stage of the new MIM Projects in the 21C programme. Its development process will include:

-  assisting contracting authorities to deliver the objectives of the Wellbeing of Future Generations Act;
-  delivering stretching community benefits;
-  commit to the Welsh Government's ethical employment code;
-  assembling delivery supply chains through open competitions and;
-  building to very high levels of environmental sustainability.

Project Pipeline



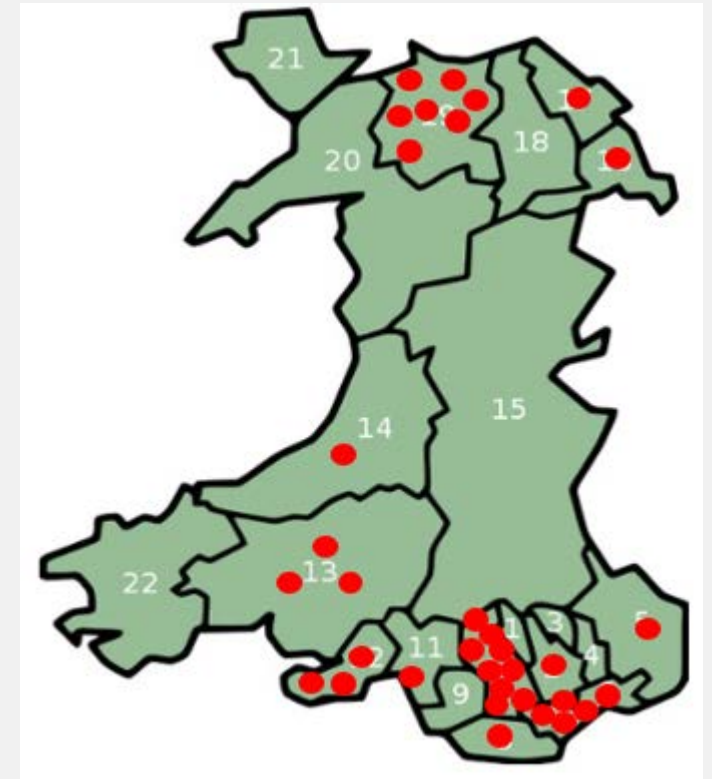
Pre-identified Band B pipeline consisting of 33 revenue funded school and college Projects, including:

- 4 no. Colleges
- 10 no. Secondaries and All-Through Schools
- 19 no. Primaries

All of the above projects have a construction value of circa £520m.

Pipeline Projects already identified are generally concentrated in the North and South of Wales

The delivery pipeline is indicative and will be monitored and updated by Welsh Government and WEPCo over the course of the programme.



Welsh Government Central Support for Initial (Pathfinder) Projects



The Welsh Government is committed to ensuring that the Projects being delivered through MIM are **viable** and **deliverable** *before* they are taken to the WEPCo to avoid wasted development costs.

Welsh Government is providing additional support to all initial 'Pathfinder' Projects to ensure these are viable and deliverable and can commence immediately. As such Welsh Government has already undertaken the following works on several 'Pathfinder' Projects:



Site surveys to establish site viability and any site risks;



Completed Site Specific Briefs (SSB) and Schedules of Accommodation (SoA) to define LA and FEI requirements;

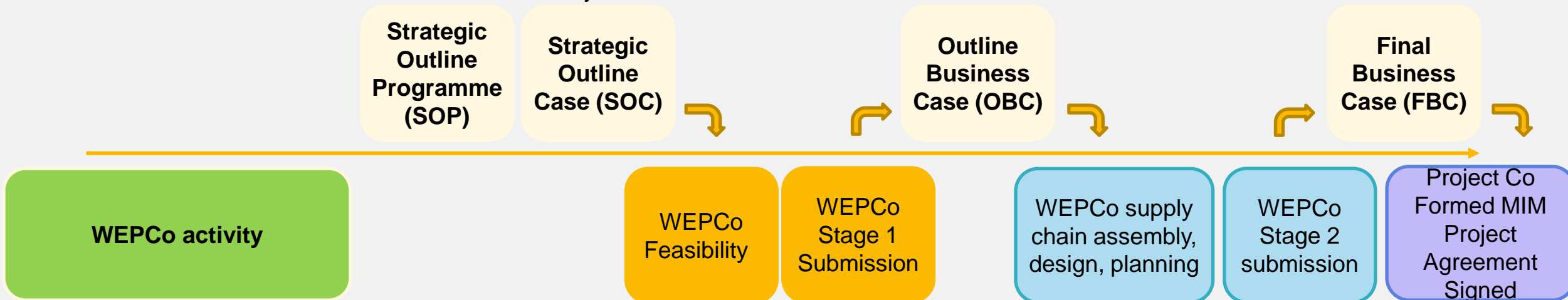


Engaged with LAs and FEIs on delivery programmes, to ensure that any Statutory Consultation required for Pathfinders Projects is completed prior to a New Project Request being issued.

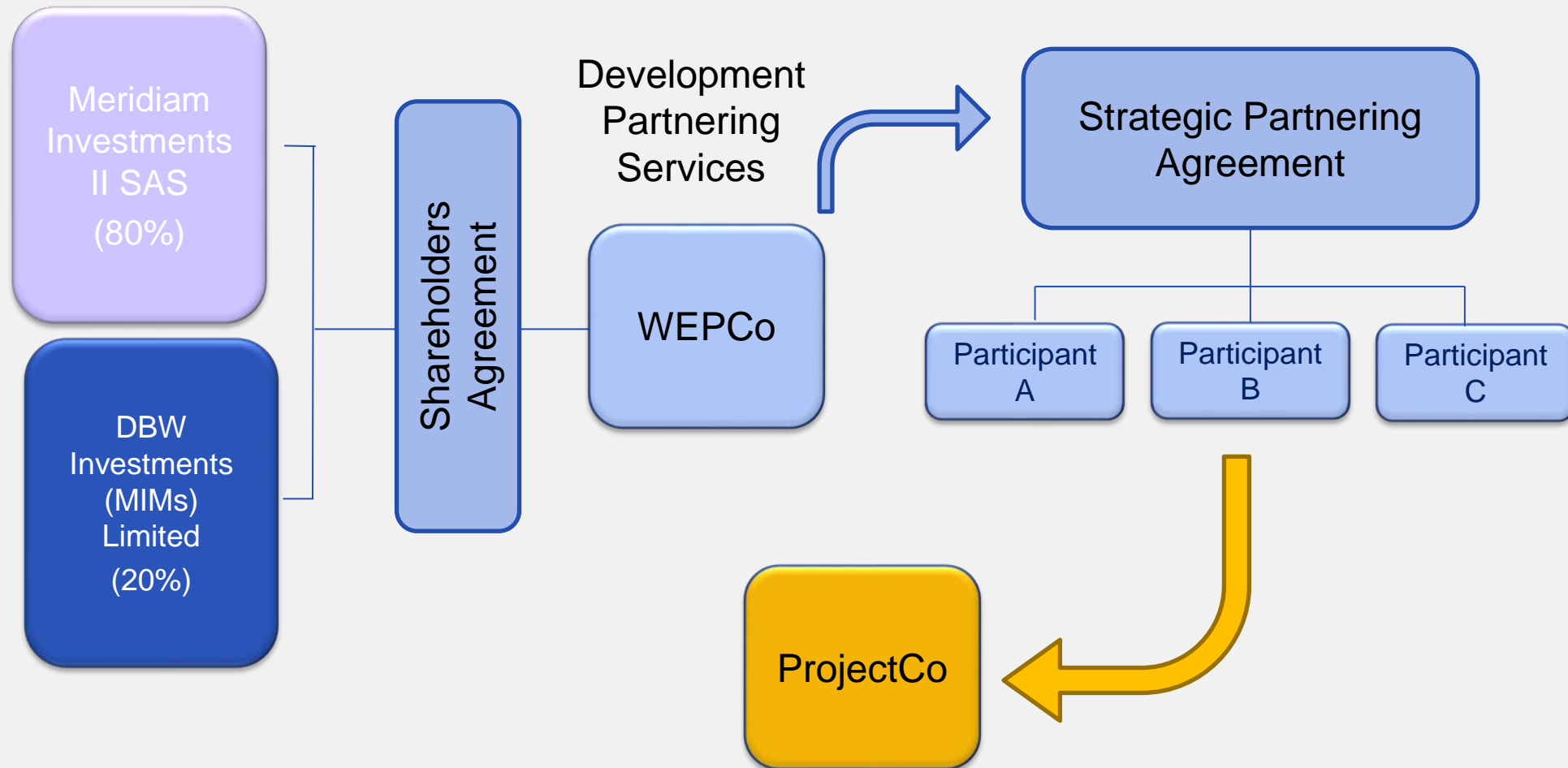
Welsh Government Project Approvals and WEPCo activity



- Each individual project will need to go through a two stage business case approval process in order to access funding.
- Business Cases are produced by the relevant Local Authority or Further Education Institution for submission to the Welsh Government Education Directorate for approval.
- WEPCo Stage 1 Submission (testing project viability) will be appended to (and inform) the OBC.
 - Competitive Tendering of supply chain will occur following Stage 1 approval and OBC sign off by Welsh Government.
- WEPCo Stage 2 Submission (which includes detailed design and planning submission) will be appended to (and inform) the FBC.
 - Formation of each MIM Project Co and Financial Close will follow FBC sign off by Welsh Government in relation to each MIM Project.



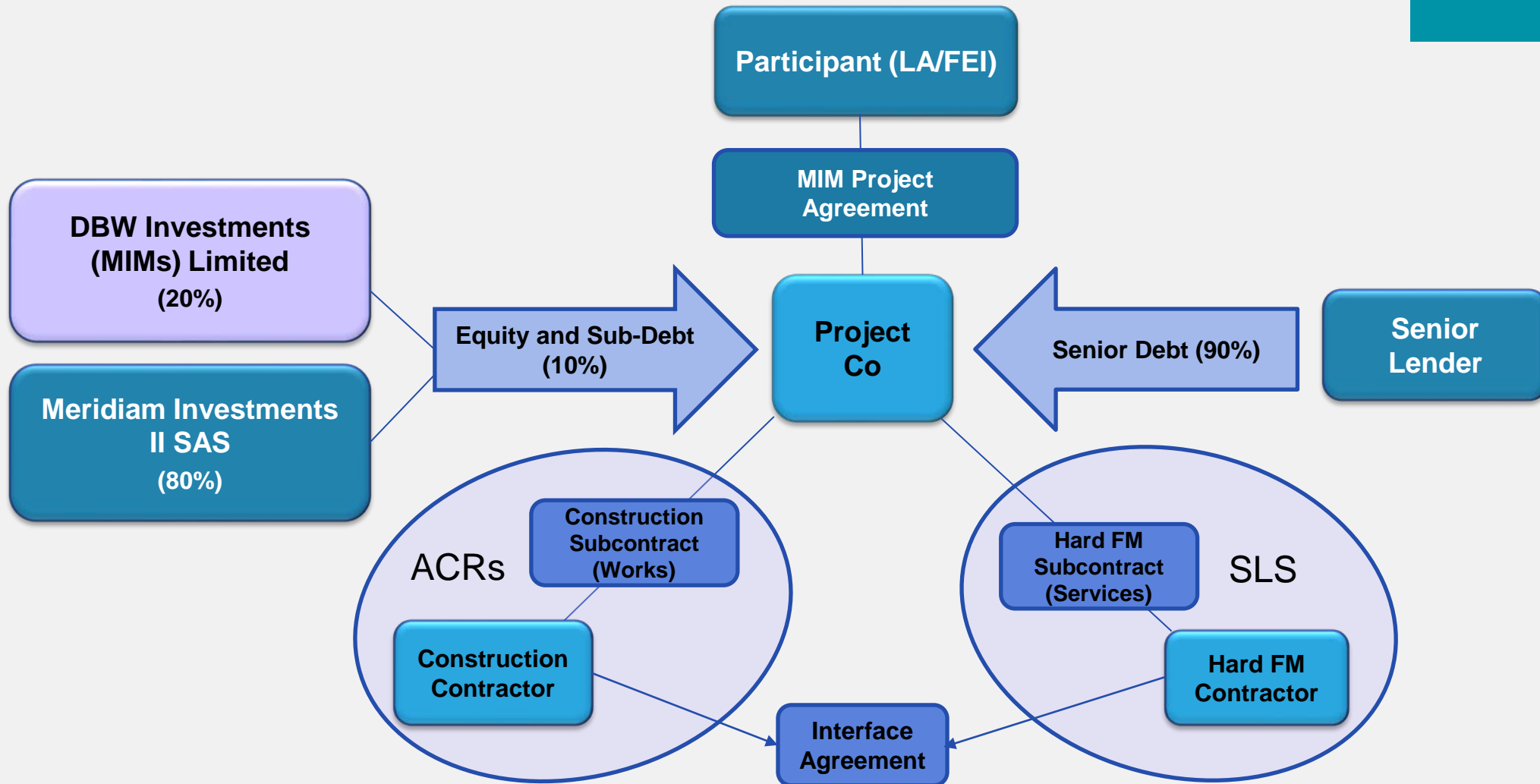
Welsh Education Partnership Structure (WEPCo)



MIM Structure (ProjectCo)



Llywodraeth Cymru
Welsh Government



Welcome



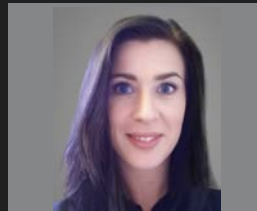
Barbara Lantz

WEPCo Director



Christian Stanbury

WEPCo CEO



Danielle Aberg

WEPCo
Community
Benefits Lead



Dan McCarthy Stott

WEPCo Assistant
Project Manager
(Pathfinders)



Neil Cutting

WEPCo Project
Manager
(Pathfinders)



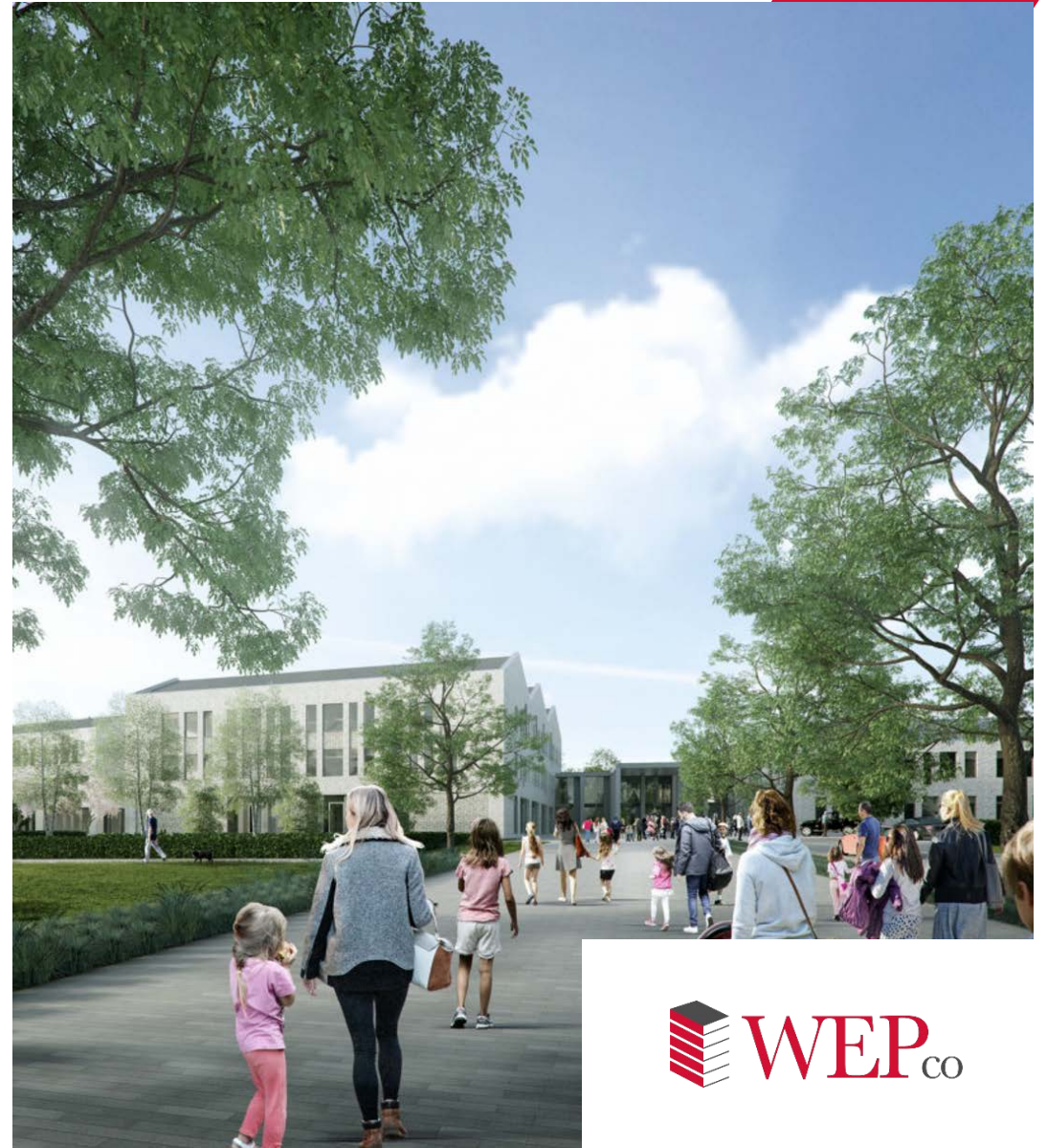
A photograph of a modern, multi-level office building interior. The scene is dominated by a wide, light-colored staircase with wooden handrails, where several people are walking. In the background, there are glass-walled upper levels and a ground floor with a bright orange carpet. The lighting is warm and modern, with circular recessed lights in the ceiling. The overall atmosphere is professional and contemporary.

What is WEPco and the WEP Team



Welsh Education Partnership (WEPCo)

“ Long term partnership between the Development Bank of Wales (Welsh Government) and Meridiam to develop Education facilities on behalf of Local Authorities and Further Education Institutions in Wales ”



The WEPco Team

WEPco is a Developer and provider of strategic solutions to Local Authorities and Further Education institutions throughout Wales



Christophe De Carmoy

WEPco Director



Richard Ashcroft

WEPco Director



Barbara Lantz

WEPco Director



Graham Spence

WEPco Director



To be appointed

Independent Chair



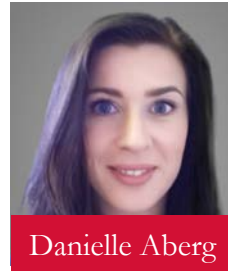
Christian Stanbury

WEPco CEO



Neil Cutting

WEPco Project
Manager
(Pathfinders)



Danielle Aberg

ESG



Dan McCarthy Stott

WEPco Assistant
Project Manager
(Pathfinders)



To be appointed

Admin Support



To be appointed

Project Manager



To be appointed

General Manager





WEP_{co} activities

Short term

- Mobilising WEP_{Co}
- Setting up core systems and key processes
- Engaging with supply chain and sector organisations

Medium term

- Holding 1-2-1's with Participants
- Understanding requirements of individual projects
- Developing Pathfinder projects

Long term

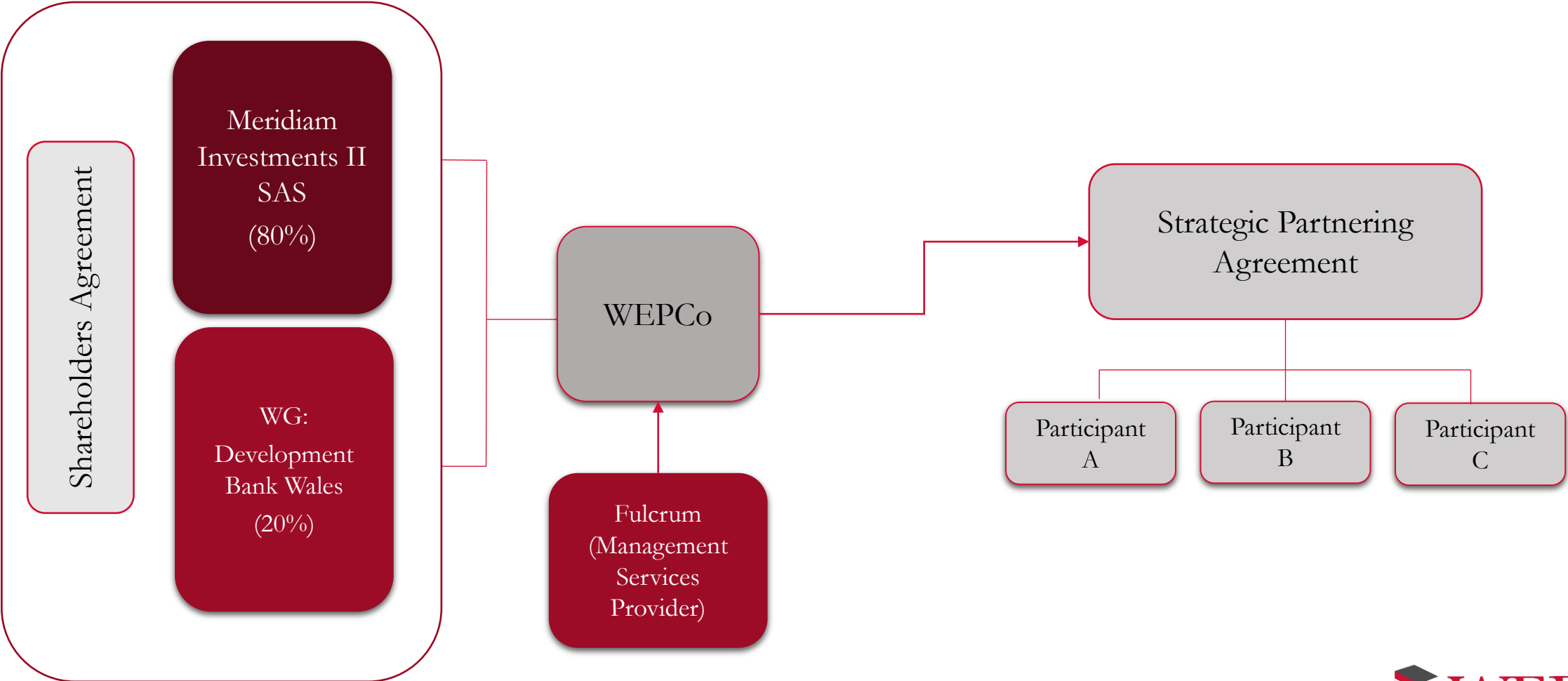
- Developing high quality projects with Participants
- Continuously improving and listening to feedback



WEPco Partners



WEPCo Structure



Meridiam's Values

- We act for the next generation
- We respect the environment
- We are local
- We keep our word
- We go beyond
- We love what we do
- We love sharing our experience



ESG* and UN-SDGs** are at the heart of our DNA to deliver positive impact for communities



A multi-disciplinary and multi-cultural team bringing an integrated approach



A leading actor in the development, financing and asset management of a low carbon economy, fighting against climate change

* Environment, social and Governance Criterias (ESG)

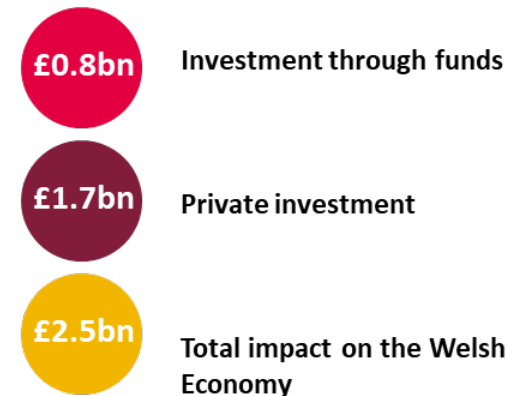
** United Nations (UN) Sustainable Development Goals (SDGs)

Development Bank of Wales – A unique resource for Wales

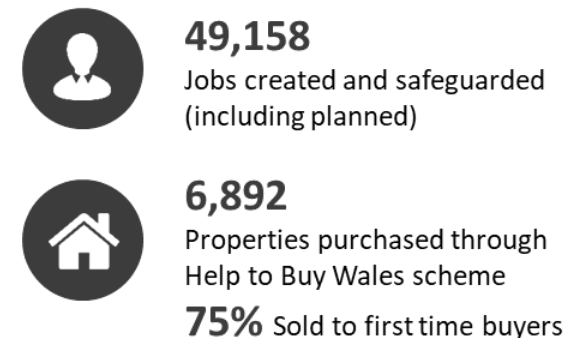
- Over **£1 billion** of funds under management
- **£80m** invested into Welsh business in **2018/19***
- Leveraged **£126m** of private sector investment in **2018/19***
- **420 investments** made to support Welsh businesses in Wales in **2018/19***

* Financial year ended 31 March 2019

Total investment impact in Wales



Resulting in



Fulcrum Infrastructure Management

“ Fulcrum provides outstanding professional services to Meridiam’s UK based infrastructure project companies and is an experienced developer of new projects and active manager of ongoing assets ”



**Operational
Management**



**Financial
Management**



**General
Management**



Our UN-SDG impact methodology



17 goals to be achieved by
2030, focused on 169 targets

Core impact



Identification of relevant SDGs for each project according to local context and mission

Direct impact



Relevant and robust indicators to assess each project's impact on relevant SDGs and targets. Transparent all in one tool to monitor each asset's impact and resilience over time.



Our philosophy and vision
for the WEP company

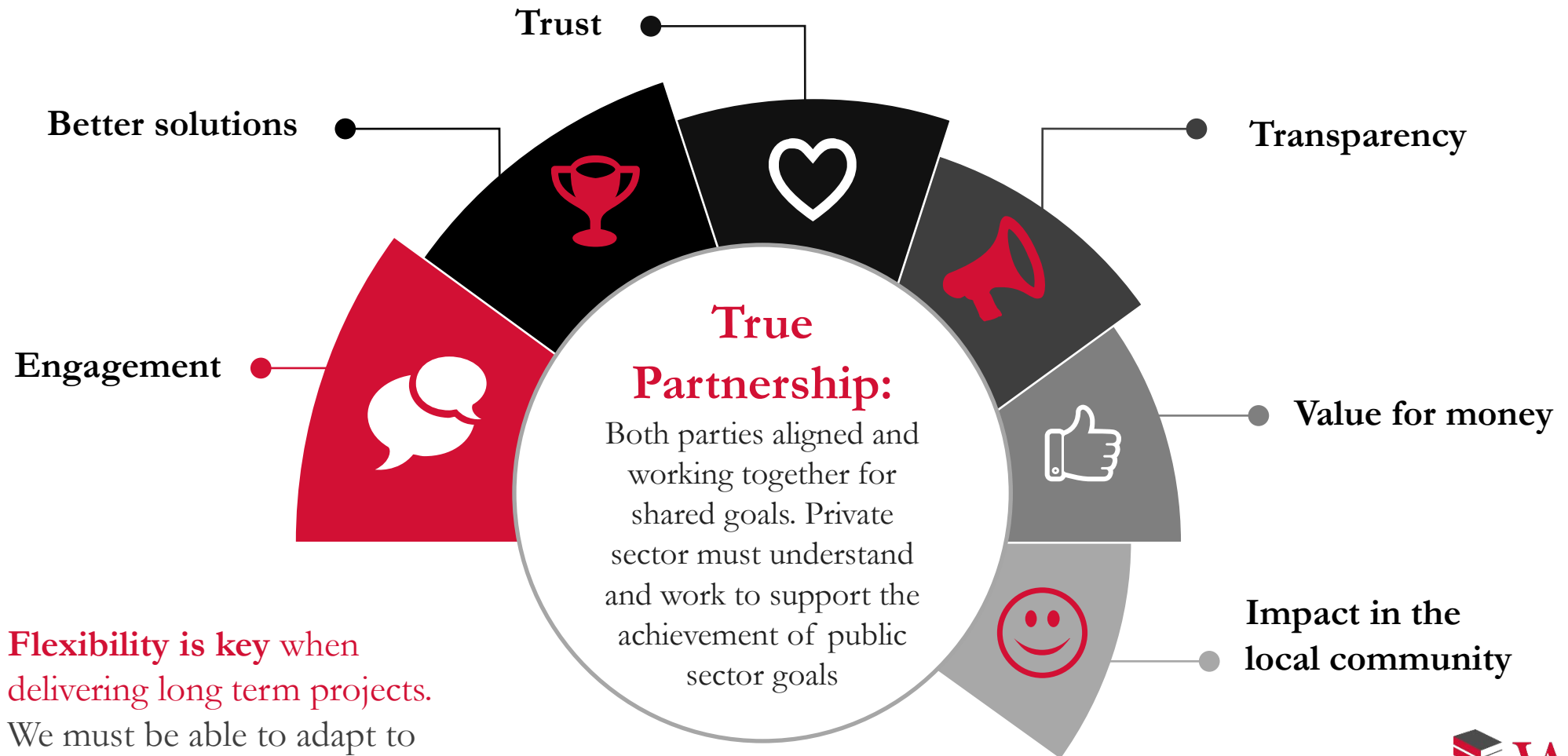


Our commitments for the **Welsh Education Partnership**

- Build a **long term** and **trusted** partnership
- Deliver **value for money** for Local Authorities, Further Education Institutions and the Welsh Government
- Align with the **Well-being of Future Generations Act** and embed the five ways of working into our ethos
- Drive **continuous improvement** and lead on **sustainability** and quality throughout construction and operations
- Deliver **meaningful** and **impactful Community Benefits** that improve the quality of peoples lives

“ The objectives of the WEP programme are to establish a stable and long-term partnership that delivers education and community facilities in line with the Well-being of Future Generations (Wales) Act 2015, providing demonstrable value for money to the public sector and transparency to national and local stakeholders.

What makes a **good partnership**



Flexibility is key when delivering long term projects. We must be able to adapt to changing needs.

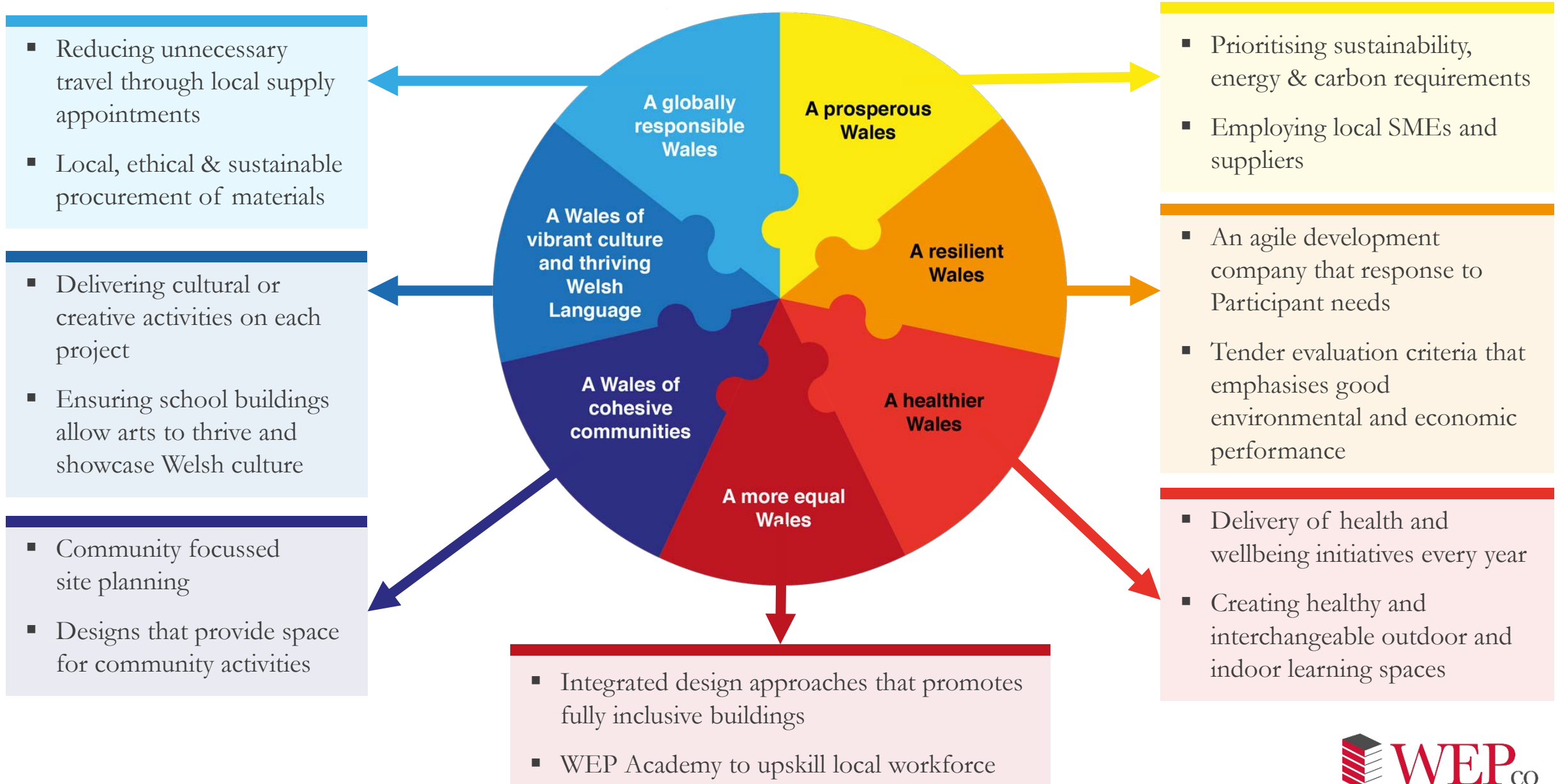
Value for **money**

We are independent from the supply chain and our role now is to work hard to achieve the best value possible for Participants

- Open and competitive tendering for D&B Contractor and FM Provider for each project, group or batch of projects
- Standardisation of processes, construction, energy management, design, components, and key financial terms
- Adding value back into the local community by committing to local job creation and local purchasing, as well as delivering on a host of community benefit targets



Alignment with the **Well-being of Future Generations Act**



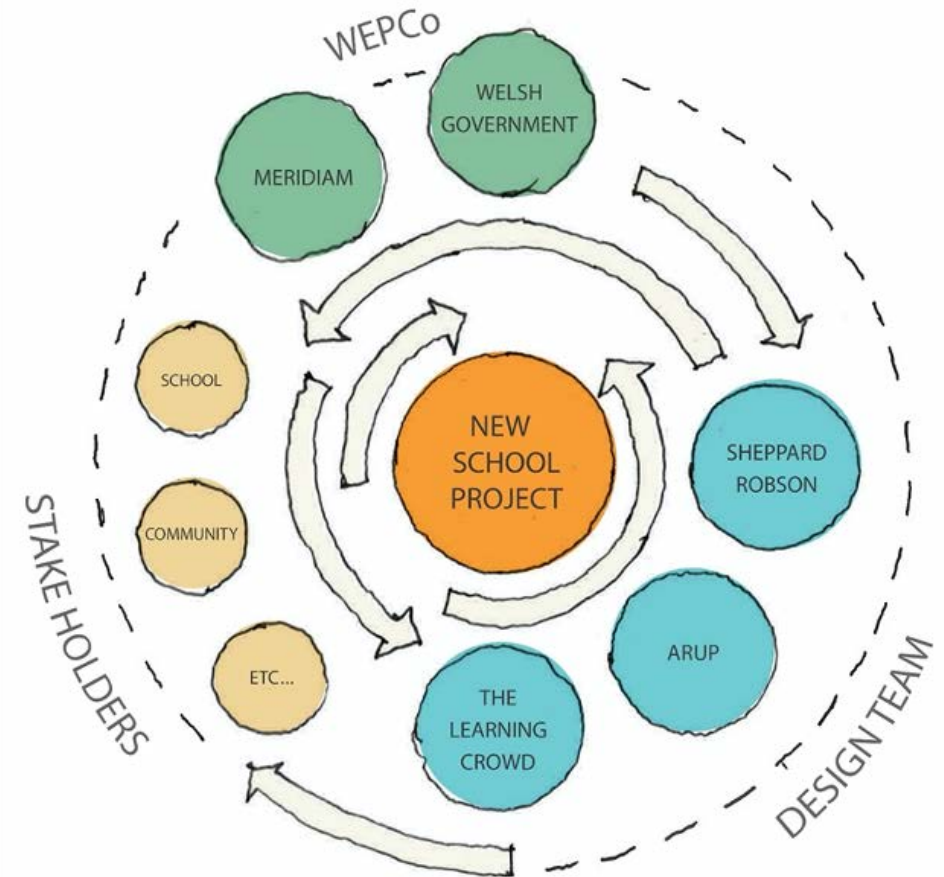


Continuous Improvement

- We are here for long-term and therefore ensuring that continuous improvement is a key priority
- We will embed continuous improvement into WEPCo over the whole programme during development, construction and operational phases
- We will share lessons learnt across the wider supply chain across Wales

How we work with Participants to **deliver projects**

- Engagement to understand Participant requirements and need for strategic support
- Structured development programme with Client Engagement Meetings and regular project review meetings with Participant representatives
- Use of BIM and other digital technologies to enable end users to visualise the end project and effectively input into the design stage
- Ongoing involvement from WEPCo's Advisers to ensure end user requirements are effectively communicated and fed into the design

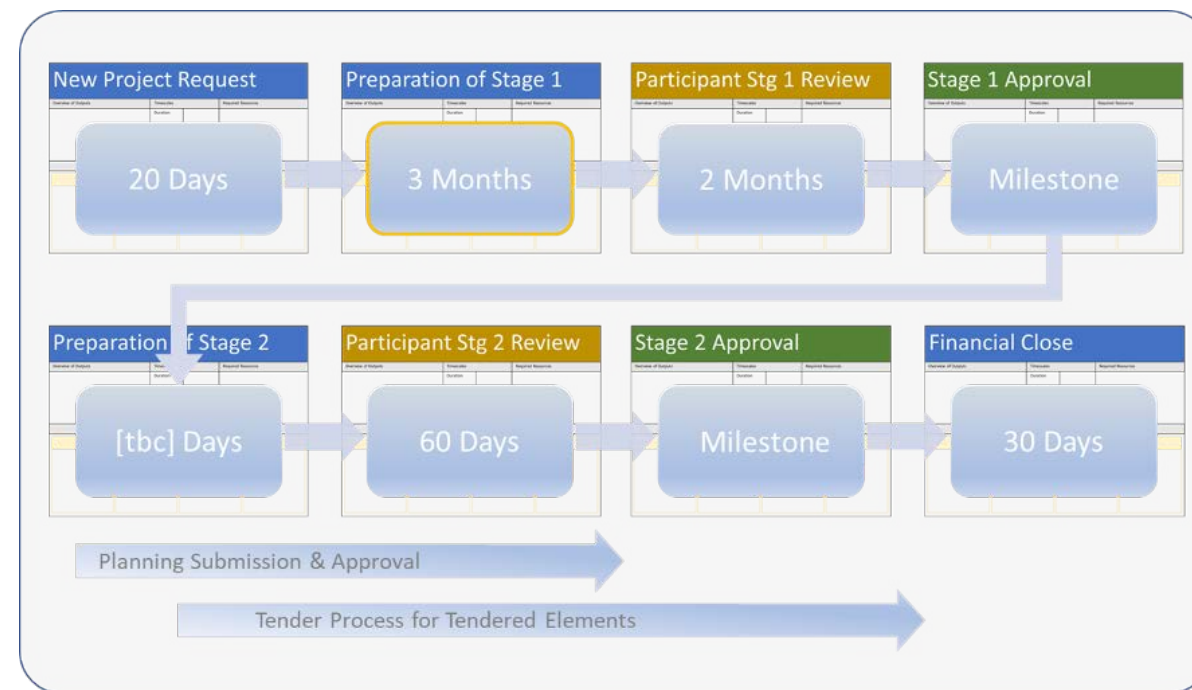




*Approach to partnership creation
and programme delivery*

What does WEPCo do and and what is its role

- Works with Local Authorities and Further Education Institutions to develop education facilities across Wales
- Works with Local Authorities/FEIs to ensure project approvals at relevant stages
- Undertake project feasibility and develop concept and detailed design
- Tendering for the supply chain (D&B contractor and FM Provider)
- Submits planning documentation to obtain planning approval
- Sourcing finance and manages the project to financial close



Contractor Selection

- WEPCo will select organisations to support the delivery of MIM projects
- A design and build contractor will be tendered for each project or batch of projects
- Timing of the appointment is flexible based on the needs of each project and will likely include a prequalification and an ITT selection and appointment process
- The duration of the operational phase will be 25 years and Facilities Management Providers will be appointed to provide services to projects or batch of projects
- There will be an open tender for each project or batch of projects



Project **Delivery**

- We will prioritise quality to ensure the building performs as per design
- WEPCo will look to use Modern Methods of Construction wherever possible
- We will look to use local supply chains and promote initiatives that support local businesses
- We have ambitious additional community benefits proposals including the creation of a WEP Academy to upskill the local workforce in the areas of BIM and Energy

“ We will create a dedicated supply chain champion to ensure that local and small businesses are treated fairly and community benefits are delivered ”



Project **Operations**

- WEPCo will take a holistic long-term approach that delivers added value to Participants over the full 25-year term
- WEPCo will look to future-proof design and adopt streamlined processes to ensure easy operations and affordable change management
- WEPCo will look to partner with organisations that can provide ongoing support for cultural, environmental and educational initiatives
- User-friendly building operation through the latest technologies





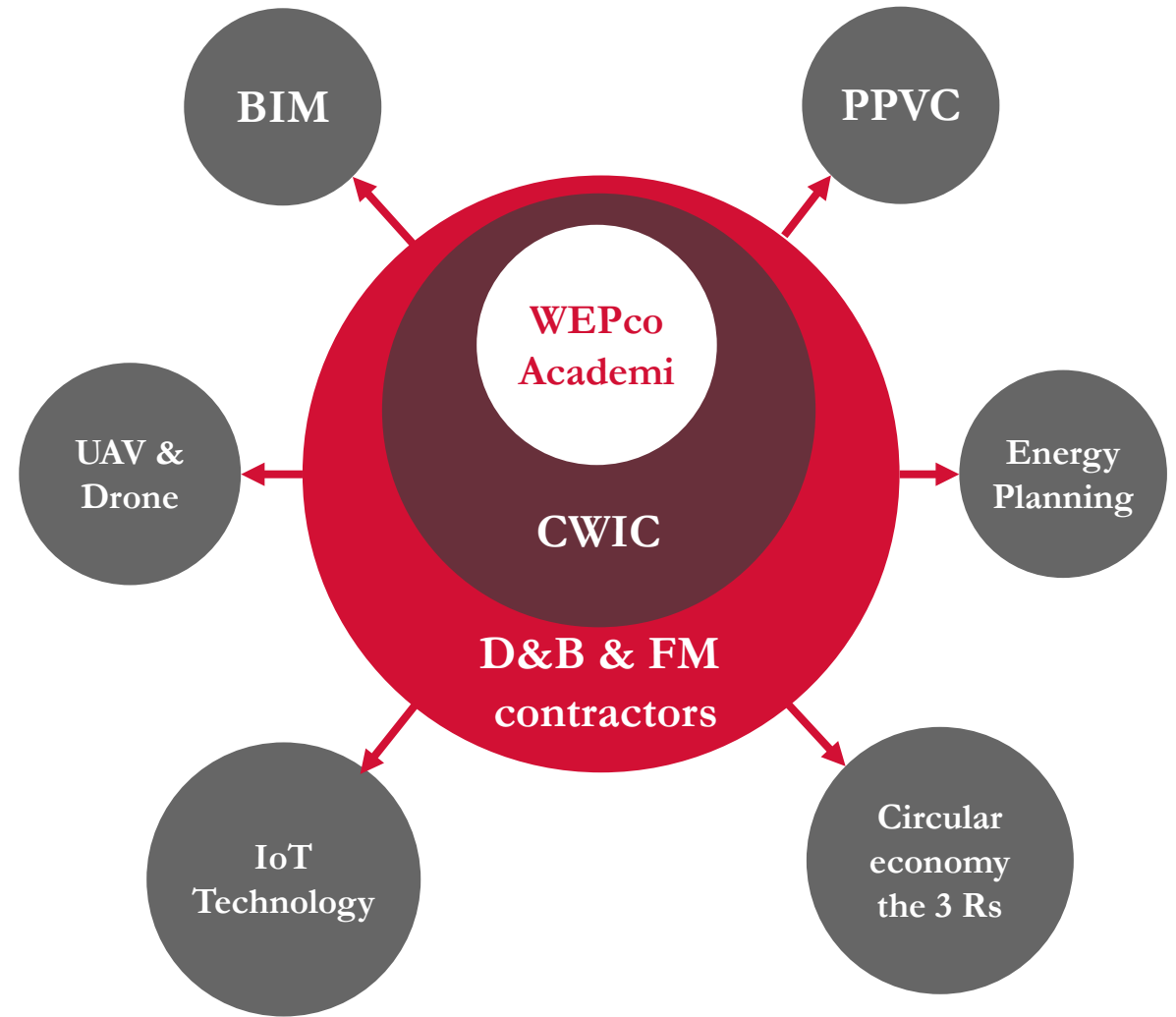
Social value and delivery
of Community Benefits

Community **proposals**

- **STEM Education** initiatives during development
- Establishment of a **WEP Academi** to support upskilling
- **Commitment to wellbeing** and delivering initiatives within the community
- Supporting **creative and cultural activities** to aid transition
- Activities throughout the **25 year operation**
- **Enhanced monitoring** of social and economic impact

“ Our WEP Academi will support local supply chains to upskill in vital areas such as low carbon technologies and digital technologies ”

The WEP Academi will ensure that **innovation and skills for new technologies and modern methods of construction are available** to the wider Welsh Supply Chain



WEPco **Academi**

- The WEP Academi will be established to share best practice through training in future skills to upskill the supply chain (direct and indirect) in areas that support the decarbonisation agenda.
- Contractors will be required to submit your plans for delivery of CPD (up to 3 hours) and Short Courses (6 hours or more) covering one or more of the below areas
 - **Digitising** – Delivering better, more certain outcomes using digital technologies. Example - BIM/CAD/ Drone tech etc
 - **Modern methods of construction** – Improving productivity, quality, and safety by increasing the use of modern methods of construction. Example - Modular / Cross laminated timber & other panelised manufacturing / Low Carbon concrete etc.
 - **Performance** – Optimising whole life performance through the development of energy efficient, smart assets. Example – Energy modelling / Solar / Thermal insulation
- Numbers of hours of delivery will be determined for each project



Measuring **Impact**

- Working with CITB we will deliver the Full programme through a bespoke Client Based Skills Academy
- We are developing a digital reporting tool to track and monitor Social Value Community Benefit delivery
- We will standardise project level reporting across contractors to ensure quality consistency
- We will prioritise Diversity & Inclusion setting reporting requirements in this area
- We will require contractors to evidence Sustainable Impact that is made as a result of their interventions and produce annual Impact reports

“ We are committed to providing enhanced monitoring of social, economic & environmental impact by developing a digital tool to measure impact and capture evidence across the programme ”



Opportunities available to
Welsh businesses and suppliers



WEPCo's existing **supply chain**

- An **initial** design team was assembled to support with the procurement including:
 - Lead Architect
 - Multi-disciplinary Technical Designer
 - Quantity Surveyor and Cost Consultant
- Aim is to hit the ground running with the **initial Pathfinder projects**
- Lead Architect will look to work with **local architects** for specific projects
- WEPCo has **flexibility and control** over its design team



Opportunities for Welsh **businesses and suppliers**

WEPCo will be looking for and appointing Supply Chain organisations to assist with the delivery of:

- Project Development services including activities to support feasibility (including site surveys etc), design development and planning
- D&B Contractors, FM Providers and ongoing operational support services
- Strategic Support Services to support strategic estate planning
- Quality assurance roles throughout the development and construction phase of the project (Clerk of Works, Independent M&E commissioning Manager and Independent Tester
- Lenders Technical Adviser and due diligence team

WEPCo is committed to providing opportunities to local suppliers and SME's

Open Meet the Buyer events will be held during procurement and all opportunities over £100k will be advertised on Sell2Wales

Sell2Wales Quick Quotes will be used for packages over £25k



Selection **Criteria**

Criteria will be weighted towards quality to ensure high performance over the long term – specific criteria will include

- Organisational capability
- Quality and track record of delivering similar projects
- Technical requirements
- Ability to deliver and operate energy efficient facilities that meet the needs of end users
- Commitment to social impact and delivery of community benefits
- Financial standing

Selection **Criteria**

- **Energy efficiency**



- ✓ Organisations who can design, deliver and operate Net Zero Carbon buildings
- ✓ Organisations committed to sustainability

- **Financial standing**



- ✓ We will work with senior lenders to make opportunities accessible however there will be specific financial requirements that organisations need to meet

- **Community benefits**



- ✓ Organisations will be expected to contribute towards the WEP Academi and work with local suppliers

- **Facilities Management**



- ✓ These are long term projects with opportunities over the next 25 years



Diolch
Thank you





Questions
and answers