



Issued on behalf of the Construction
Industry Coronavirus (CICV) Forum

17 March 2021



Our vision for the future

A MANIFESTO FOR THE CONSTRUCTION INDUSTRY OF TOMORROW

Contents

- 3 // Introduction
- 4 // Appoint a dedicated minister whose portfolio would include all of construction
- 5 // Appoint a Chief Construction Adviser
- 6 // Develop an effective public sector maintenance and improvement programme
- 8 // Help to repair, maintain and improve
- 9 // Invest in affordable homes
- 10 // Develop the skills arena
- 12 // Introduce a cycling network within the infrastructure investment plan
- 15 // Encourage conflict avoidance
- 16 // Members and contact

Introduction

The Construction Industry Coronavirus (CICV) Forum is a collective of senior representatives from trade and professional bodies, formed at the start of the COVID-19 pandemic in 2020 to share intelligence and advice and engage with government on issues affecting construction during the crisis.

Membership currently consists of more than 30 organisations and 100 individuals and encompasses all aspects of the construction sector, from the supply chain and trades to labour and professionals.

In less than a year, the Forum has set a benchmark for cross-construction sector collaboration and cooperation in Scotland and brought to the fore key issues for the nation's decision makers to consider.

As well as issuing a host of information and advice for the sector, it has also provided pragmatic solutions to problems arising from the COVID-19 pandemic, the subsequent lockdowns and other issues that negatively impacted Scotland's construction sector.

The establishment of the Construction Leadership Forum, and ongoing discourse within the Cross-Party Groups on Construction, and Architecture

and Built Environment, are noteworthy examples of the benefits of collaboration. This collaboration has enabled the construction sector to respond to the COVID-19 challenge by working effectively and safely together to deliver the homes and infrastructure Scotland needs.

Construction is perfectly positioned to support the next government's plans to meet Scotland's ambitious targets on net-zero, reduced energy use, decarbonisation, climate change and other principal policy objectives around accessible, sustainable places and inclusive economic growth.

The CICV Forum and its members will continue to engage positively with the next Scottish Government, representatives in Holyrood and the sector to provide intelligence, best practice and advice

Given the diverse array of the Forum's membership, we have focused on a range of key policies that we believe can provide the required support in both the immediacy and the long term that will allow its continued contribution to economic growth and market confidence.



175,000+

people who work directly in the construction industry in Scotland



60,000

self-employed workers



10,000

construction apprentices



10%

percentage of workforce employed in construction



£21.5 billion

industry's contribution to Scotland's GDP



10%

percentage of GVA provided by construction industry



£2.94

amount generated for every £1 spent on construction

1 / Appoint a dedicated minister whose portfolio would include all of construction

Given the construction sector will continue to be central to Scotland's economic recovery and prosperity, the country and sector would benefit from a minister with specific responsibility for the whole construction sector, including the important issue of net-zero carbon.

This proposal is to ensure construction is given the focus, policy, necessary budget and legislative tools to support the sector through the imminent period of pressure, stress and recovery.





2 / Appoint a Chief Construction Adviser

To support the Minister for Construction, and as per the Review of Scottish Public Sector Procurement in Construction, a Chief Construction Adviser (CCA) should be appointed by the Scottish Government.

This role would be a key advisory role to the Minister for Construction, and as an integrator, the CCA would establish cross-departmental collaboration and key agencies engagement, with a focus on delivery aligned with 'whole asset performance'.

In the long term, the CCA would initiate a review of the modus operandi of the construction industry, with a view to modernise and eliminate inefficiencies in practice that currently damage the industry's reputation and

how it is perceived. This review should look to include, but not be limited to:

- Post-Brexit procurement
- Payment models to best support SMEs, including up-front payment for SMEs undertaking public sector works as a short-term post-COVID-19 catalyst
- Mandatory licensing schemes for construction companies and trades
- The development of a transparent and sustainable pipeline of programmes and projects, allowing for greater visibility of future investment and workload planning for enhanced supply chain management.

3 / Develop an effective public sector maintenance and improvement programme

Well-maintained buildings perform better and are healthier. By ensuring the upkeep of public assets is supported through a maintenance programme, Scotland will see enhanced cashflow for local SMEs and supply chains, retention and protection of construction sector skills, and a contribution to Scotland's ambitious net-zero, decarbonisation and climate change targets.

Looking ahead, there will be opportunity for maintenance and improvement programmes to be undertaken, and with enough pre-planning and notification, designers and contractors could start preparations in a timely fashion.

This pipeline of work would also assist businesses in determining decisions over recruiting new staff, including trainees and apprentices. It will also help alleviate the fuel

poverty position which is an increasing problem in the country.

Furthermore, a key contributor to the net-zero carbon agenda is the acceleration of energy-reducing replacement work, e.g. LED lights, low-energy heating systems etc, and the improvement programme provides the opportunity to bring forward the energy-saving benefits sooner.

Support for this joint programme would also provide an unprecedented level of activity for the sectoral supply chain, tradespeople and professionals, and help economic wellbeing.

We would also welcome the pre-design and development work being maintained to ensure that the design professionals are also able to support future public sector development programmes.





4 / Help to repair, maintain and improve

The next Scottish Government should establish a VAT reimbursement fund for home repair and maintenance, and energy efficiency improvement measures, and suggest a role for the Scottish National Infrastructure Bank as the 'holder' of this fund as it will contribute to a national infrastructure priority.

The benefits of this fund are numerous. As VAT registered companies are more likely to employ apprentices, this fund will support job creation, particularly for SMEs, tackle the skills shortage and obstruct rogue traders and the informal economy.

This fund would bring parity between new-

build and existing properties, make an enormous contribution to Scotland's net-zero and climate change targets and improve living standards in all housing tenures.

- The CICV Forum, in conjunction with Construction Scotland Innovation Centre (CS-IC), recently commissioned research into a VAT reimbursement fund and maintenance multiplier. We, like many sector stakeholders, believe that investment in maintenance reaps significant social and economic benefit, and we would urge the current and future government to consider the findings of this research, which can be found at www.cicvforum.co.uk



5 / Invest in affordable homes

The current Affordable Housing Supply Programme (2016-21) has had a significant impact on Scotland's construction industry. It has supported 10-12,000 jobs per annum in construction and related industries in Scotland, and it is estimated that for every home built, 4.1 (FTE) jobs are created.

However, the COVID-19 pandemic has had a negative impact on the construction industry in Scotland, with job losses within the sector now being reported.

Therefore, the CICV Forum supports the call of SFHA, CIH Scotland and Shelter Scotland for the Scottish Government to commit to building

53,000 affordable homes over the lifetime of the next Parliament.

The £2.8bn capital funding commitment in the Infrastructure Investment Plan for affordable housing is welcome, and we support sectoral calls for government to provide a longer-term commitment to investment in affordable housebuilding through its Housing to 2040 strategy.

However, in addition to this drive for affordable homes, the government must not lose sight of other tenures which play an equally important role in Scotland's housing market and social and economic health.

6 / Develop the skills arena

The CICV Forum has identified a number of areas in which the skills sector could be improved:

- Introduce a three-year training contract for training providers with Skills Development Scotland. This will provide stability to employers and enable the sector to develop meaningful training programs.
- Introduce funded travel for apprentices of all ages and for all modes of transport across Scotland.
- Tackle the IT poverty that still hinders apprentices, not only with hardware issues but the more pressing issue of connectivity for blended learning. The Forum would like to see an arm of Skills Development Scotland dedicated to working with training providers and colleges to support apprentices and employers' families. This could be done by various means, e.g. loans, a buy-back scheme.
- Invest in our educators, a significant number of whom have been out of industry for many years. We would be willing to work with Colleges Scotland to initiate a project to facilitate one-week industrial placements. If investment was made and was part of CPD it would raise the standard of training in colleges and keep lecturers up to date and relevant. This would develop the educators in the latest technology and practices within the workplace.
- Add bricklayers, joiners and electricians to the Scottish Shortage Occupation List, as outlined by the Migration Advisory Committee.

● Maintain the following funding streams to maximise the positive benefits to industry and those who participate in the programmes leading to long-term employment:

- Youth Guarantee
- National Training Transition
- Green jobs.

This will reduce the ageing workforce and the existing and projected skills gaps for the industry.

- Establish an energy and zero carbon agency, reporting directly to a Cabinet Secretary. Continue the three to five-year green skills agenda funding for employers. Increase funding for colleges to equip themselves for decarbonisation and zero emissions skills needs.
- Revisit the duration taken to establish need and demand for accredited qualifications for industry in the green and zero carbon sector.
- Introduce a national training and skills plan to boost the number of competent, qualified people who are equipped to future-proof buildings of all types and infrastructure networks.
- Support employers for mandated CPD to help upskill the industry, especially on safety-critical issues.
- Encourage collaboration between Ministers to promote the positive opportunities that arise from apprenticeships. This could be achieved through balanced, industry-led careers advice to encourage pupils and students to choose a career in roles that will expand the industry capacity and capability of the workforce.



7 / Introduce a cycling network within the infrastructure investment plan

The Infrastructure Investment Plan (IIP) 2021/22-2025/26 should include a national programme to deliver and maintain a national cycle network, connecting Scotland's urban centres and hubs, as a means to support the use of bikes, including electric, to encourage workers and the public out of cars and onto bikes.

The programme will:

- Create and maintain jobs for SMEs
- Support the supply chain across the length and breadth of Scotland
- Contribute to Scotland's net-zero and climate change targets

- Improve the health and wellbeing of Scottish citizens
- Attract tourists
- Enhance the potential of the government's 20-minute communities plan.

In addition, given the push towards electric transport in general, there is an urgent need for the advancement of electric vehicle charging point installations and further investment in hydrogen plants to fuel buses and larger vehicles.

Scotland has the opportunity to be a world-leader in both areas.







8 / Encourage conflict avoidance

There are sectoral concerns that the post-COVID-19 construction industry will be immersed in management issues relating to the progress of projects, leading to many disputes between employers and contractors across the supply chain. Therefore, there is support for organisational commitments to delivering a partnership approach.

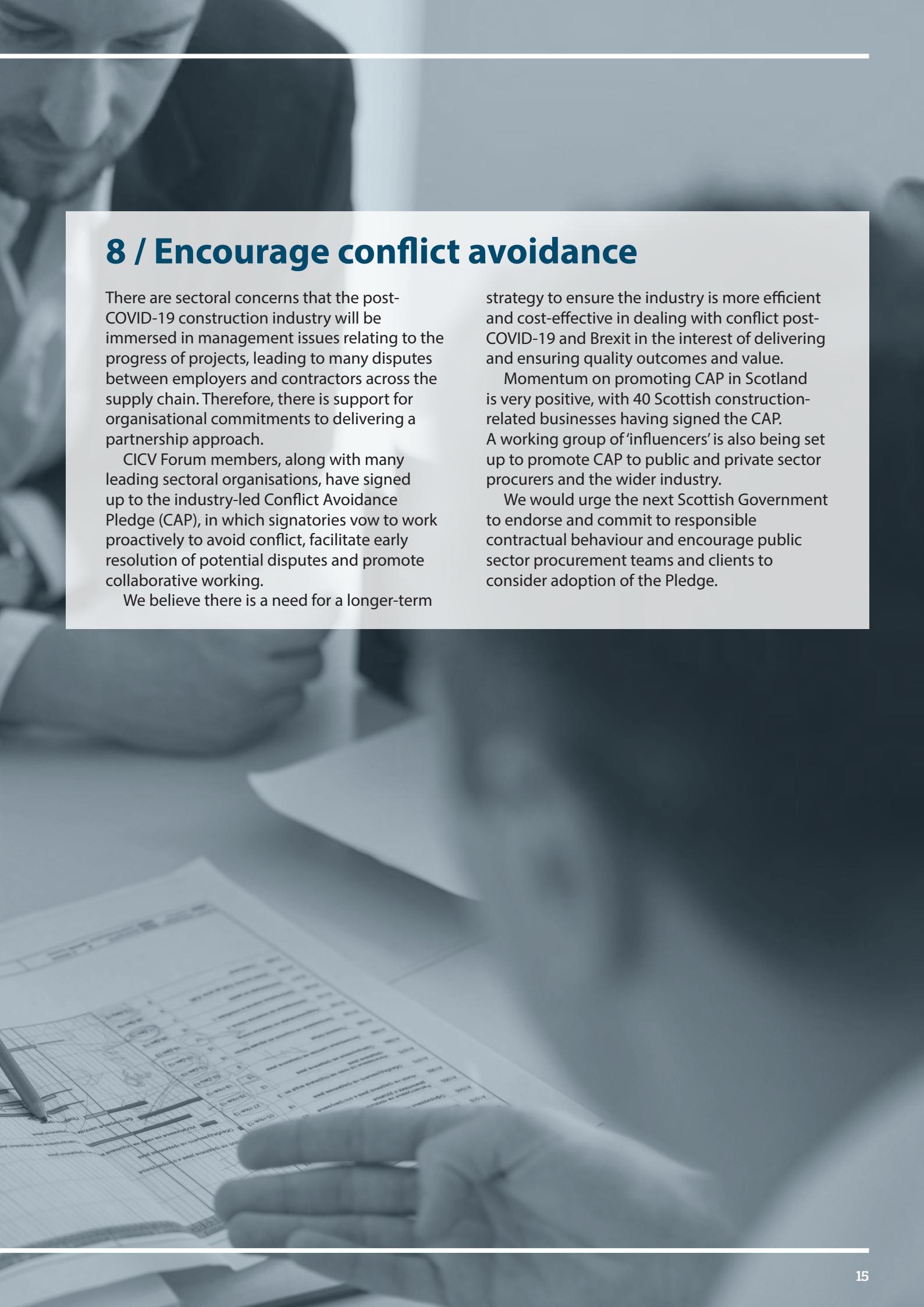
CICV Forum members, along with many leading sectoral organisations, have signed up to the industry-led Conflict Avoidance Pledge (CAP), in which signatories vow to work proactively to avoid conflict, facilitate early resolution of potential disputes and promote collaborative working.

We believe there is a need for a longer-term

strategy to ensure the industry is more efficient and cost-effective in dealing with conflict post-COVID-19 and Brexit in the interest of delivering and ensuring quality outcomes and value.

Momentum on promoting CAP in Scotland is very positive, with 40 Scottish construction-related businesses having signed the CAP. A working group of 'influencers' is also being set up to promote CAP to public and private sector procurers and the wider industry.

We would urge the next Scottish Government to endorse and commit to responsible contractual behaviour and encourage public sector procurement teams and clients to consider adoption of the Pledge.



CICV Forum members



Further information

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