

SCOTTISH CONSTRUCTION ACCORD - DRAFT

PURPOSE

This Scottish Construction Accord establishes a dynamic collaboration for all the Scottish public sector and the whole of the construction industry to:

- work together more effectively to meet the infrastructure delivery challenges we face as a country;
- support and enhance the industry's positive contribution to Scotland's economy, society and environment; and,
- deliver the change and action necessary to achieve these aims and ambitions.

It creates a **shared vision** for the Scottish construction Industry underpinned by a range of **agreed outcomes** and establishes **collaborative working arrangements** with a pledge from all participants to take forward a **transformation action plan**.

The **shared vision** is built on a series of **firm foundations**, which include the Review of Scottish Public Sector Procurement in Construction (2013), Construction Scotland's Industry Strategy (2019-2022), the conclusions and recommendations of the Infrastructure Commission for Scotland and the conclusions of the CLF Recovery Plan which is taking forward actions in a number of these areas.

SHARED VISION

Our vision is for a sustainable, profitable, diverse and innovative construction sector that benefits of all Scotland; improving outcomes for the economy, our workforce, asset users and wider society whilst playing a leading role in Scotland's just transition to net zero, our vision for a Fair Work Nation and underpinning the delivery of the National Infrastructure Mission

Our Accord will deliver this vision through collaborative work between public sector policy makers and clients, the delivery industries and their supply chains to create a market interface and working arrangements which are fully and deliberately supportive of our vision.

OUTCOMES

The Shared Vision is supported by a series of outcomes set out below. These are to be achieved through a Transformation Action Plan which is delivered by permanently established collaborative working arrangements.

For Businesses & the Economy:

1. We have successful, commercially sustainable and profitable construction and related businesses which are anchored in Scotland, forming local supply chains.
 2. Our construction sector businesses are incentivised to innovate and invest in people to grow and create export opportunities.
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3. We are a productive industry contributing to inclusive economic and green growth.
4. We are a digitally enabled industry, confident and skilled in using modern methods of construction.

For Current & Future Workforce:

5. We provide high quality and fair work for everybody working in the sector and look after their physical and mental health, safety and wellbeing.
6. We have a diverse workforce and pipeline of talent with capacity and competency fit for current and future industry needs.
7. Our sector is attractive to a diverse range of new entrants.

For Customers & Users:

8. We maintain high standards of design to enhance Scotland's places, delivering works, products and services that are regulatory and specification compliant, safe, and which maximise whole life-cycle value.
9. We have a sustainable quality culture fit for a safety-critical industry.

For the Environment & Communities:

10. We are on a just transition pathway to being net zero carbon in operation and over the life cycles of the assets we create, enhance, repair, and manage.
11. We use Scotland's natural resources sustainably and are a key part of a circular economy.
12. We are fully engaged with and support the communities in which we operate.

TRANSFORMATION ACTION PLAN

Transformative change will be required to realise the Vision and Outcomes of this Accord. In addition, mitigating and adapting to climate change will place new requirements on building and infrastructure owners and the construction industry to deliver different things, in different ways using different materials. To deliver on these challenges requires a reformed interface between public sector buyers and the industry and through the supply chain.

Initial Priority Work Areas where collaborative action is needed to deliver the outcomes have been identified. These have been informed from the workstreams of the Scottish Construction Industry Recovery Plan and from consultations with stakeholders. They will form the basis of a new Transformation Action Plan, to be drawn up and then implemented by the signatories to the Accord.

The essence of the Transformation Action Plan is collaborative working between stakeholders across the Priority Work Areas. The nature of the actions means that some will require particular focus by the public sector as clients, some by government and its agencies and some by the construction and related industries.

The initially identified Priority Work Areas are:

- Reforming Construction Procurement Practices & Supply Chain Management;
- Developing & Publishing Transparent Forecast Pipelines of Construction Investment;
- Increasing the capacity, capability, and diversity of the workforce;
- Creating conditions for everyone in the sector to have a safe and rewarding career with high quality and fair work;
- Creating a sustainable quality culture;
- Increasing the take up of digital technology and modern methods of construction;
- Driving a just transition to net zero carbon and resource efficient operation of the construction sector;
- Maximising opportunities for shortened and resilient supply chains;
- Collating usable, high-quality and meaningful data about the Scottish construction sector.

COLLABORATIVE WORKING ARRANGEMENTS

To deliver the transformational change envisaged requires efficient and effective collaborative working arrangements to be sustained which properly represent all of the stakeholders in the change and allows them to debate and agree the actions which they must take to deliver the agreed outcomes. These arrangements must be led from the top across the public sector and industry, be supported by an appropriate level of resource and seek to reflect the diversity agreed as an industry outcome.

The **Participants** in the Accord are those organisations which agree on the need to improve the outcomes set out and commit to making resources available to develop and implement the Transformation Action Plan generally comprising Scottish Government, major public sector clients, industry representative groups and larger companies and other significant stakeholders. **Network Members** will be any organisations which support the principles of the Accord, may participate in specific work from time to time, and wish to be kept up to date with the Accord and Transformation Plan activities.

Initial working arrangements will comprise:

- **Construction Leadership Forum** as the governing group for the Accord, chaired by the Minister for Business, Trade, Tourism and Enterprise and comprising representatives drawn from Accord participants.
 - **Transformation Board** to coordinate the collaborative work plans under the Transformation Action Plan, co-chaired by [for agreement by CLF members] and comprising the co-chairs of each Working Group.
 - **Working Groups** established to lead, plan and progress the collaborative activity in each Priority Work Area. Each Working Group to be co-chaired by a public sector and industry
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representative and with members drawn from all stakeholders who commit capacity to progress the agreed actions.

AGREEMENT

The participants in the Accord:

Recognise that:

- **Change is needed** – building on the recent collaborative working in the construction recovery plan presents an opportunity for improved outcomes to be delivered together;
- **The market interface is key** – change is enabled by high-quality requirements setting, procurement and buying at all levels in the supply chain;
- **Behaviours and trust matter** – and that all parties need to work harder to create and sustain trusting relationships, avoiding disputes where possible and resolving them through collaborative approaches where necessary;
- **High quality industry data and insight is essential** – to provide a compelling evidence base to demonstrate both the need for change and the successful delivery of the desired outcomes.

Therefore commit:

- **To rid the industry of unsustainable pricing by all parties, committing to uphold the existing public sector legal requirement to never buy solely on price and extend this to all levels of the supply chain and for all values of contract** – in order to create a sustainable platform to build the agreed outcomes and benefit Scotland's economy;
- **To developing and implementing a Transformation Action Plan with work streams and actions across a range of key areas** – Based on the Priority Work Areas identified in this Accord, and building on the agreements and commitments made in order to create a high performing and successful construction sector that benefits all of Scotland.

And in doing so, agree:

- **To act transparently and inclusively** – in order to create positive change for the industry and all of its stakeholders;
 - **To hold themselves accountable** – for promoting the Accord, behaving in accordance with its principles and providing resources appropriate to their organisation and role to pursue agreed actions;
 - **To participate proactively** – in accord work streams and / or governance in order to ensure the changes required are driven forward effectively and with pace;
 - **To review the Accord periodically** – to ensure that it meets the future needs of the construction industry, including its public sector clients and supply chains across Scotland.
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