

Construction Industry Recovery Plan – Update for May CLF Meeting

Pipeline & Commercial – updated 20 May	Status	Comments
Immediate (Achieved by September 2020)		
For recovery purposes – establish a presumption for quick quote, framework, and restricted procedures.	Complete	Guidance on contract amendments to payment terms and the use of Construction Procurement Route 1A (Quick Quote): CPN 9/2020 - gov.scot (www.gov.scot)
2 Issue clarification that “30-day payment” should never over-ride shorter payment cycles in standard contracts.	Complete	Guidance on contract amendments to payment terms and the use of Construction Procurement Route 1A (Quick Quote): CPN 9/2020 - gov.scot (www.gov.scot)
3 Develop / identify indicators to track (public and private) projects coming on stream.	Complete	Indicators completed, Further developed into pipeline https://pipeline.scottishfuturestrust.org.uk
Short (Achieved by December 2020)		
Finalise and publish an alternative tender price appraisal tool and issue updated guidance on quality evaluation and Abnormally Low Tenders	ALT complete	Abnormally Low Tenders: Sustainable tender pricing: CPN 1/2021 - gov.scot (www.gov.scot) See also Client Guide to Construction Projects Chapter 8: Abnormally Low Tenders - Construction Procurement Handbook - gov.scot (www.gov.scot)
	Price appraisal tool ongoing	Graduated pricing mechanism has been introduced which significantly reduces the scoring advantage of a lower price bid. Ongoing work to publicise use.

<p>Finalise joint development of a Scottish Civil Engineering framework incorporating the leading practices from all work streams set out in this document.</p>	<p>Ongoing C/F Transformation Plan</p>	<p>Scottish Government has continued to develop the Civil Engineering Framework with input from the Construction Scotland and other industry stakeholders. Prior Information Notice published: View Notice - Public Contracts Scotland</p>
<p>Focus on immediate operational cashflow through the “supply chain” – main contractors, consultants, sub-contractors, material suppliers.</p>	<p>Complete</p>	<p>Publication of Prompt Payment Guidance (SPPN 2/2022) Public procurement - prompt payment in the supply chain: SPPN 2/2022 - gov.scot (www.gov.scot) Client Guide to Construction Contracts: Fair Payment Chapter 9: Fair Payment - Construction procurement: project initiation and business cases handbook - gov.scot (www.gov.scot) Use of Project Bank Accounts Chapter 10: Project Bank Accounts - Construction procurement: project initiation and business cases handbook - gov.scot (www.gov.scot)</p>
<p>Agree next practical steps to deliver pipeline & commercial improvements.</p>	<p>Complete</p>	<p>Working groups and workshops to take this forward are agreed – sustainable pricing working group and procurement reform workshops.</p>
<p>Develop outline proposal for a forecast construction pipeline database extending to wider public sector</p>	<p>Complete</p>	<p>Proposal completed. Now developed into pipeline database: https://pipeline.scottishfuturestrust.org.uk To be updated every 6 months</p>
<p>Agree future approach to shut-down requests.</p>	<p>Complete</p>	<p>Any future shut-down or restrictions will be dependent on the circumstances at the time and cannot be predicted with certainty. To the extent possible in any future circumstances, the CLF will be used as an advanced communication route with industry.</p>

Gather evidence of agreed COVID costs for on-going benchmarking	Complete	Transport Scotland and hub programme have gathered evidence of COVID costs
Engage with Scottish Government on the Infrastructure Investment Plan Pipeline to maximise local industry benefit	Complete	Engagement undertaken through Construction Leadership Forum meeting
Medium (Achieved by December 2021)		
Consult and collaborate with industry on the requirement for a sustainable assurance method for contractor performance.	Complete	Cash retention under construction contracts: short life working group final report and recommendations - gov.scot (www.gov.scot) Follow-up in future work phases.
Develop guidance and training material on risk allocation and transfer for public and private sector clients.		
Establish route to transform pipeline and commercial practices and start implementation.		
Development of a Scottish Building framework or equivalent procurement vehicle for building work, incorporating the leading practices from all work streams set out in this document	On Hold	On hold until the civil engineering framework has been progressed.
Long (2022 and beyond)		
Sustainable assurance method for contractor performance in place.	In progress	Deliberations have commenced in order to consider assurance methods and it is likely that some mechanisms will be the subject of discussion and trials.
Complete transformation in pipeline and commercial engagement. Embed and monitor sustainable performance assurance and payment practices to address industry-wide issues with retention and payment terms	Work commenced	Thought gathering has commenced.

Skills & Workforce – updated 11 May	Status	Comments
Immediate (Achieved by September 2020)		
Maximise support for employers and employees who are facing redundancies. Signpost to available support such as PACE, Adopt an Apprentice and the Construction Retention Talent Scheme.	Complete	
Look at establishing a database of redundant apprentices and opportunities for funded short course upskilling provision for those that have been made redundant	Complete	
Work to retain current and future apprentice talent pipeline: <ol style="list-style-type: none"> 1. Addressing backlog of Skills Test for construction apprentices 2. Maximising 2020 take-up 3. Supporting redundant apprentices to access new opportunities 4. Develop an industry backed pre-apprentice route 	Complete	New issue identified: EEG grant to encourage Employers to recruit meant apprentices were taken outside of normal window – due to this some are not registered correctly on system. 2017 cohort delayed and unable to complete Apprenticeship – means rate of pay not increasing. Industry looking for solution.
Understand and identify FE capacity this year, given the need for physical distancing and blended learning	Complete	
Raise awareness of digital skills training and support available to employers and employees	Complete	
Short (Achieved by December 2020)		
Maximise Government & Agency / Industry engagement around Fair Work, IT poverty & access (apprentices) and financial support for skills and employment both for new entrants and to upskill and retain existing workforce.	Complete	Action taken but fair work actions will continue under Action 32 & 49
Create an Industry wide best practice communication plan covering employers, employees and the supply chain. Ensure industry aware of all available support, guidance as well as sharing of good practice.	Complete	

Ensure plans are in place for any second wave, including localised lockdowns, focus on Apprentices (Incl Graduate), improved engagement with workforce and access to any available support schemes	Complete	
Ensure Industry needs are represented around funded workforce and skills initiatives	Complete	Complete for short term needs but further actions take care of long term betterment
Continue to promote blended / remote learning and assessment across all construction apprenticeships ensuring digital accessibility.	On-going	
Investigate the viability and desirability of shared apprenticeship schemes	On-going	SG investigating current scheme success to discuss with the group. Paul McGuinness to evaluate current schemes and advise
Engage with SDS and FE and HE sector to ensure that there are clear routes into the sector from existing construction training and skills courses.	On-going	SFC, CITB & SG to provide data to inform focal points. Awaiting data.
Identify best practice to support young construction professionals as they enter and develop in the industry.	On-going	each-one-teach-one format being explored
Map cross industry activities around skills and training, to aid sharing of good practice and collaboration and minimise duplication.	On-going	To aid sharing of good practice and collaboration and minimise duplication. Scottish Enterprise have now secured a £12,000 investment to create an industry skills directory (tool for policy makers and so on). This leads on from the skills mapping work. High level by end of March 2022. SDS mapping green skills links to green jobs academy
Look at how to support and embed existing Fair Work principles across Industry.	Delayed	The Fair Work Convention's Building Fair Work in the Construction Sector's Inquiry is now complete. Therefore, the Group should consider the recommendations and agree action it could take to support Fair Work principles across Industry.
Develop employment support initiatives to prepare for Brexit	Delayed	

Medium (Achieved by December 2021)		
Support industry through next stage of Brexit including the implications of immigration requirements and monitoring of impact on employment	On-going	The CLF is monitoring data on labour and skills shortages and is engaging with Scottish Government OCEA and Labour Market Strategy Team on resilience plans.
Investigate viability of introducing compulsory registration for apprentices that links to employment T&C's.	On hold	
Investigate viability of restoration of partnership agreements for construction craft qualifications.		To be reviewed on ongoing basis via new TEG group model.
Work with employers to promote the apprenticeship route, particularly in areas with high demand from young people.	Ongoing	Numbers of apprentices are up at pre-covid – but do we need more/can we have more?
Work with skills groups to gather employer and apprentice views, review and adapt existing apprenticeships, qualifications, training and assessment to ensure fit for purpose and identify any skills gaps.	Ongoing	The review and update of apprenticeships is ongoing with a new TEG process in place. Backlog, Assessor shortages to be addressed
Develop and embed an industry wide approach to school engagement and career promotion, including resources that showcase pathways into and through the industry across all professions.	Ongoing	DYW-led bid for CITB Work Taster project was successful. The project is aimed at improving pathways into the sector for under-18s, with a focus on increasing diversity.. This will work in tandem with Build Your Future.
Stimulate industry investment in high-impact upskilling opportunities aligned with green recovery plans and building meaningful digital skills.	Ongoing	Paper produced Assess activities ongoing that address the papers proposals, if any. Business resilience tool for SME. URL link?
Support development of online CPD courses for professions to focus on future skills.	Ongoing	Modules of training developed around net zero digital and home grown tech (Innovation Centre). More evidence of training on offer by all parties needed. Also CESAP working groups will delve into future skills needs. This will also inform future skills training needs
Develop CPD for college lecturers and others involved in construction training to maintain awareness of innovation, change and future skills needs	Ongoing	ESP to provide evidence of process to close out. (Note Innovation centre expected to support colleges)

Work with industry and sector skills bodies to ensure that Scottish qualification and training needs are fully reflected.	On hold	Concentrating on apprenticeship angle
Review collective bargaining	Delayed	This can now be considered alongside the recommendations of the Fair Work Convention's Inquiry Report.
Consider a fair work charter for construction sector following publication of the Fair Work Convention report	Delayed	This can now be considered alongside the recommendations of the Fair Work Convention's Inquiry Report.
Begin development of a national programme to support industry to improve diversity and inclusion including positive action and financial support.	Ongoing	Progressing well with industry Diversity & Inclusion Plan expected completion in May
Create a professional Human Resources and Learning & Development group, responsible for gathering real-time data for both industry and Government supporting development of sector focussed courses and leading on diversity, inclusion and Fair Work	Ongoing	CLF dashboard and other sources of data being gathered
Consider a cross construction industry mental health initiative		New action to be considered
Long (2022 and beyond)		
Develop a competency framework that includes a focus on digital skills, meta-skills, management and leadership skills in addition to technical skills and competencies.	Ongoing	We have built the competency recommendations into the National Construction Skills Academy paper and have been speaking with SDS on some issues around how best to take this forward. CILM level 5 and above (CITB funding) Options on NSA provided and further consultation to be done after agreement with CLF. Presented overview to recovery skills group. Link with CESAP/future skills
Create a system to track and monitor Industry CPD e.g. Construction Skills Passport where not already available	Merged with above	

Create an online National Construction Skills Academy, with the development of regional training hubs for face to face learning. Including training linked to low carbon, digital skills and high-quality management training and signposting to existing training resources	Merged with above	Draft proposals in place but not shared widely Colleges have challenged the NSA paper (despite not being shared officially) and so a meeting to be set up to present and engage correctly on the proposal. Wider consultation to be done. The CESAP and the Green Jobs Workforce Academy now provide a mechanism to improve online access to training for the sector – so there is an action to review against the NSA proposal and see if there are gaps in alignment or provision that we could potentially address through the next phase of the GJWA.
Look at approach to encourage direct employment and embed all principles of Fair Work across sector – focus both in development of business strategies and incentives through procurement	See above	To be taken forward with other Fair Work actions.
Use technology to its potential within workforce planning. This should focus on both demand and supply of skills		Paper written
Transformation – updated 11 May	Status	Comments
Immediate (Achieved by September 2020)		
New ways of working for managing infection control health & safety.	Complete	The initial action was a Covid-19 response and focused on industry moving through the Restart Plan. We are beyond that phase.
Digital improvements in Building Standards, e.g. e-Building Standards, Remote Verification, and promotion of Certification approaches.	Complete	The initial action was a Covid-19 response and focussed on Scottish Government Building Standards Division instigating key digital improvement initiatives with support from a range of collaborators. This was undertaken.

Short (Achieved by December 2020)		
Review / develop outline digital strategy for industry – notably SMEs	Complete	The work to develop an outline strategy for digital construction for SME's has been undertaken. It is presently in draft form and will act as a basis for further engagement and development with industry and other agencies towards developing a detailed delivery plan.
Extend reach of the Transforming the Value of Consultancy initiative and develop outcomes-based approaches	Complete	The initial work to expand the reach of the initiative was undertaken to include all key roles on a construction project. The work of the initiative has progressed further, and draft scopes of services are being tested on projects.
Gather and disseminate lessons from construction quality improvement initiatives and issue guidance on maintaining focus on construction quality and regulatory compliance during economic downturn.	Complete	This early action was followed up by Scottish Government and issued updated guidance in CPN8.
Medium (Achieved by December 2021)		
Develop a construction business facing Technology Navigator.	On-going	SFT and BE-ST have been working with Partners on a construction business facing technology navigator. The original SFT Infra-Tech navigator has been updated to facilitate the inclusion and search function for business focussed technologies and guidance. In addition, a user workshop with SME's and business was held to gain feedback on value of solutions. Initial feedback was positive as a resource for industry. The final stage is to develop rich, technical guidance for industry beyond the existing client-side guidance developed by SFT. The resources and funding for the development of this guidance has yet to be identified and the population of the navigator with industry guidance has yet to be completed.

Establish the infrastructure to take forward and accelerate the work of the Construction Quality Improvement Collaborative.	Ongoing	The CQIC working group has continued to operate and several activities are underway as preparation prior to launching the initiative later this year.
Establish route to develop alternative working methods for the industry including manufacturing approaches and off-site production	On-going	Initial work on this, is in support of the Scottish Government's aim to explore the development of off-site manufacturing towards delivering the programme of 110,000 net zero affordable homes. SG Housing and SFT are working with partners to develop a strategy. Work continues with the Edinburgh Homes Demonstrator programme which is trialling new approaches to delivery.
Build on existing work to prepare the industry to deliver a net-zero carbon built environment	On-going	A cross sector group has been established to take this work forward and embrace the range of activities that fall within this space.
Long (2022 and beyond)		
Complete transformation of the industry in response to the well-being economic recovery	On-going	The Accord moves this transition towards the transformation agenda.
Supply Chain Resilience and Capability – updated 23 May	Status	Comments
Immediate (Achieved by September 2020)		
Promote removal of VAT from restoration, repair and retrofit work.	Complete	
Continue to develop an on-line construction directory, take forward supply chain analysis, capability mapping and case studies including needs for long-term net-zero transition and potential for local content	On-going	<p>Potential size of wider sector identified via Optimat review if related SIC codes included.</p> <p>Up to 45,000 businesses, supporting 300,000 employees. Closer to 13% of work force. £22.1bn to Scotland's GDP, and 13% of Scotland's GVA.</p>

Short (Achieved by December 2020)		
Build upon the suggested routes to improving the pipeline of opportunities for the supply chain and promote these ideas more widely.	Complete	Team assisted with development of pipeline database by SFT. Joint webinar with NMIS and CSIC. Meet buyer events by SG Procurement
Develop understanding of supply chain needs for long-term net-zero investment in building and wider infrastructure to maximise local input	On-going	Focus has been on timber through the SG supply chain development programme and wider innovation being progressed by CSIC – 16 current projects.
Develop case-studies (public and private projects) on maximised local value-add by building / project types	Complete	
Encourage increased use of local, sustainable and recycled materials to minimise embodied carbon including promotion of indigenous supply chain particularly timber and recycled materials and consideration of the potential for specifying minimum content of sustainable natural materials or recycled materials in new public buildings	Complete	Work by ZWS and article by Andrew Richards. Material Shortages Working Group (MSWG) is also targeting indigenous material supply chain
Analyse Brexit impacts for construction products supply and develop response options to enhance supply chain resilience	Complete by sub-group. Further work being carried out by Material Shortages Working Group (MSWG)	Sub-group undertook significant work through the Ministerial Short Life Working Group set up in 2021. Wide and deep impacts reported with causes being Brexit, Covid and general demand. Minister met key supplier to establish mitigations. Logistics a major concern of the construction and other industries.
Medium (Achieved by December 2021)		
Support supply chain development in Scotland (e.g. building energy efficiency, offsite construction, infrastructure) and promote opportunities for industry development	On-going	SG Housing team reviewing opportunities in residential sector. SE and HIE also assisting in other areas.

Promote use of local materials and expertise to the domestic and wider market	Completed by virtue of the release of case studies	Work continues through SE, HIE, CSIC and the supply chain development program by SG. Local materials and suppliers promoted through the hub programme with over 80% of hub sub-contracts awarded to Scottish SMEs
Long (2022 and beyond)		
Embed low embedded carbon materials as a central feature of life-cycle net-zero assets	Ongoing	Ref work above
Prioritise local supply chains to support a whole life net zero sector	Ongoing	Ref work above
Develop clusters including for timber products and recycled materials and seek exporting / development opportunities	Ongoing	Ref work above
Industry Data & Insight – updated 11 May	Status	Comments
Immediate (Achieved by September 2020)		
Develop a data framework for project pipeline communication.	Complete	Pipeline Database https://pipeline.scottishfuturetrust.org.uk
Create data and intelligence portal for the hosting of industry evidence and data to support the recovery plan.	Complete	Proof of concept developed and served its immediate purpose to host artefacts from the CRP. Not decommissioned, but no longer being used by stakeholders.
Stage 1 - Assemble evidence base on economic impact of Scottish construction industry	Complete	See below for related Stage 2 work.
Short (Achieved by December 2020)		
Start development of an industry monitoring data dashboard with high-level metrics upon which to track the construction sector's health and improvement in defined areas.	Complete	Proof of concept dashboard developed for consultation and to enable feedback to support development of final long term deliverable.

Medium (Achieved by December 2021)		
Develop a construction sector data strategy	Ongoing (subject to funding)	<p>The core purpose of the data strategy was to create data management approach to develop industry data dashboard. Draft prepared by Dec 2021, with data strategy being refined and updated to align to the final Construction Industry Data Dashboard. See long term objectives below.</p> <p>Wider activity undertaken relating to data strategy and linked to wider Digital Strategy action within Transformation group. Four outputs complete; Optimat Digital paper. Optimat Data Paper. GSA Digital/Data Industry insights Workshop and Report. ScotlandIS Digital/Data Policy Landscape Report. Forward progress subject to funding.</p>
Publish and maintain industry monitoring data dashboard	Ongoing (subject to funding)	Series of information gathering workshops hosted May/June 2021. Further prototype developed with final solution due June 2022.
Long (2022 and beyond)		
Embed sustainable data management approach to maintain actionable insight for the industry and support industry objectives.	Ongoing	Data Strategy for Industry Data and Insight Dashboard for Scotland Construction Sector in final stages of development as we seek endorsement from group, and key partners. Proposed date from launch of dashboard and publication of data strategy is Aug 2022.
Stage 2 - Assemble evidence base on economic impact of Scottish construction industry	Ongoing	Two no. pieces of FOA research work commissioned; Deeper Economic Impact Study & Understanding of Supply Chain Needs (linked to Supply Chain Action). Due to be published Aug 2022.