



scottish **construction** forum

Our industry working together to promote
construction innovation and excellence



Annual Report 2004-2005

www.scottishconstructionforum.com

Introduction

by Allan Wilson, Deputy Minister for Enterprise and Lifelong Learning



The Construction industry plays a vital role in our economy, our built heritage, our environment. As one of the largest sectors in our economy it has a turnover of approximately £10 billion and provides around 200,000 jobs - over 8% of Scottish total employment. There are many challenges facing the construction industry in Scotland. I welcome the work of the Scottish Construction Forum in working with us in the Executive to address these challenges.

The Forum is working to address key issues for the industry: promoting skills and training development; helping to raise standards within the construction industry; helping to develop a self regulation scheme to combat rogue traders and improve consumer protection and boost customer confidence in the industry.

The work of the Forum is invaluable, it brings together senior representatives from across the construction industry, its clients, government and enterprise agencies to work together to achieve the common objective of a competitive and thriving Construction Industry - a key part of a thriving, vibrant and inclusive Scotland.

Foreword

by Graeme Millar, Chairman, Scottish Construction Forum



It is with enormous pleasure that I write these words of introduction to a report that shows the considerable progress made by the Scottish Construction Forum since it was formed last year.

In just eighteen months we have succeeded in bringing together public and private sector representatives from a number of disparate parts of a vast and varied industry. Forum members have worked together, using their own distinctive areas of expertise, to produce consensus on key issues and clear and workable recommendations for the future.

The Forum is now well placed to provide high-level expert strategic advice that can be applied to the various elements of the Scottish construction industry, and offered to government ministers and the Scottish Executive.

One of our major early achievements has been our role in influencing government ministers to produce a ten-year ¹ Infrastructure Investment Plan. This will go a long way to remove uncertainty and build more sustainability and workforce investment in the construction sector in Scotland. Work can now progress on meeting skills and workforce needs for the future, and the Forum has been active in supporting Scottish Enterprise Glasgow's Construction Skills Action Plan 2003-2008.

The production of the Scottish Executive's Construction Procurement Manual is a major step towards creating a better workforce in the construction sector. These guidelines should result in more intelligent procurement and planning, and will help improve health and safety practices on site. Now our aims are to encourage more public sector agencies to adopt these procurement procedures, and to encourage the construction industry to implement best practice procedures. We fully expect these improvements to result in better products and projects, delivered on time, within budget and supporting a stronger, more sustainable workforce. This, in turn, will help increase Scotland's economic growth and improve its overall prosperity.

In 2004 we produced a three-year action plan for the Forum, and I feel we have made a good start over the first twelve months. We still have a lot more work to do - but I am confident that we will achieve our aims. We are moving from an initial stage of identifying what needs to be done to stating how recommendations can be implemented.

One of our main tasks will be to help establish the Scottish Construction Innovation and Excellence Centre and secure its funding. I see this centre acting as a fulcrum for the Scottish construction industry. It will also be a knowledge resource for large and small companies, and an important source of information, advice, education, and training. Through time it will also play an important role in research.

I have been highly impressed by the people I have met and worked with, and the positive attitude from everyone involved with the Forum's work. I look forward to achieving more of our goals over the next twelve months.

¹ 'Building a Better Scotland Infrastructure Investment Plan: Investing in the Future of Scotland'

The Scottish Construction Forum

The Scottish Construction Forum (SCF) was established in February 2004, following a recommendation made by the Modernising Construction Strategic Group in their report 'Achieving Construction Innovation and Excellence in Scotland' (August 2003). The Forum is an industry led initiative which aims to drive forward improvements in Scotland's construction sector. With members drawn from both the public and private sectors the Forum seeks to encourage best practice, improve research, and increase communication across the construction sector. By providing strategic advice to the industry, the Scottish Executive and the Scottish Parliament, the Forum will work to boost productivity and improve standards within the sector.



The Scottish Construction Forum Specialist Sub-groups and recommendations

In June 2004 the Scottish Construction Forum created five specialist sub-groups to cover the main areas identified in its three-year action plan (Health and Safety, Procurement Guidance / Standard Contracts, Workforce Development, Compliance and Encouraging Modern, Workforce-Centred Management Styles).

The sub-groups researched issues in their own areas of interest, and in May 2005 concluded that a number of actions should be taken. They recommended that:

- Appropriate measures should be enabled (and enforced) to ensure that all contracts employ a 'qualified workforce' adhering to Health and Safety standards
- Procurement guidance such as the ² Scottish Executive's Construction Procurement Manual should be mandatory for all public sector work
- All contractors require to be accredited under the ³ Construction Licensing Executive (CLE) scheme or equivalent
- An urgent review of the use of the ⁴ Construction Industry Scheme CIS4 card is required to address concerns over its misuse
- The use of standard building contract documents such as those drafted by the ⁵ Scottish Building Contract Committee and the ⁶ Standard Government GC/Works form of contract should be adopted by all parties to ensure greater consistency and simplicity
- Construction procurement must ensure the promotion of best practice for employers to train their employees and, in addition, to train their own apprentices
- The existing statutory requirement for colleges to provide industry approved courses to address industry's needs has to be properly fulfilled
- A joint monitoring partnership should be created including, for example, Audit Scotland, Funding Council, Sector Skills Council, CLE and Trade Bodies. This partnership should verify compliance, and apply the necessary sanctions including 'name and shame' and ultimately exclusion from future tendering lists

The Forum members believe that these steps will have a positive influence on the future of the construction industry in Scotland. From the initial procurement by the client through to the final project delivery, the process will enhance the industry's image showing a greater respect for people, utilizing better worker involvement with relevant Health and Safety training and will deliver best practice for the benefit of all.

These recommendations were presented to Allan Wilson, Deputy Minister for Enterprise and Lifelong Learning, in June 2005. He agreed with all the recommendations and the Forum will now discuss how to progress with their implementation.

Other activities:

The Scottish Construction Forum has also been involved in the promotion of a number of projects demonstrating either innovation or exceptional performance in the construction industry in Scotland. It is intended that six quality Scottish Demonstration Projects be promoted each year as exemplars to the wider industry. The Forum has also been involved in a construction Industry Infrastructure Mapping project developed by the University of Dundee on behalf of Scottish Enterprise Glasgow. This web-based project has gathered information on approximately 200 trade, professional and training organisations representing the construction industry in Scotland.

² Scottish Executive's Construction Procurement Manual - www.scotland.gov.uk

³ An independent business accreditation scheme - www.clescotland.com

⁴ Construction Industry Scheme CIS4 registration card - www.hmrc.gov.uk

⁵ Scottish Building Contract Committee - www.sbcconline.com

⁶ Standard government contracts - www.scotland.gov.uk/Topics/Planning-Building/construction

'Looking ahead'

The Scottish Construction Forum and its five sub-groups have worked hard over its first year in operation, and members are looking forward to maintaining this momentum in the future. The next twelve months will see an increased focus on helping the Construction Industry Innovation and Excellence Centre become a reality. This will require securing the necessary funding and support, and recruiting key personnel. This will be a crucial project to allow the Scottish construction industry to compete as a world-class player, and also measure its success against other parts of the UK and overseas markets.

The Scottish Construction Forum will remain a focal point for different parts of the construction industry and, as part of this role, will host a major conference in November 2005. The Forum will continue to champion the delivery of best practice in Scotland and will ensure that government ministers are kept advised on the issues affecting the construction industry.

For the coming year, the Forum's tasks will be to progress identified work, monitor progress and demonstrate achievements. The Forum will continue to work on raising awareness about the fundamental importance of the construction industry in Scotland. It will also work to ensure that a career in this sector remains an attractive choice for future generations. In all of its tasks, the Scottish Construction Forum will work jointly with others to ensure that Scotland retains a construction industry that it can be proud of now and in the future.

Information:

The Scottish Construction Forum meets bi-monthly. For more information about the Forum, or to view a calendar of meetings and notes of past meetings visit www.scottishconstructionforum.com or contact the Forum secretariat at:

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Scottish Construction Forum Membership:

The Scottish Construction Forum is made up of senior representatives and individuals from across the Scottish construction industry, clients, government and enterprise agencies. These include:

- The Scottish Construction Clients' Forum (SCCF)
- The Health & Safety Executive
- Communities Scotland
- Scottish Higher and Further Education
- The Scottish Construction Industry Group (SCIG) with representatives from each of its five colleges: Professionals, Contractors, Specialist Contractors, Trade Unions and Suppliers
- Constructing Excellence
- The Scottish Decorators Federation
- Convention of Scottish Local Authorities (COSLA)
- Construction Industry Training Board - CITB-ConstructionSkills
- Argyll and Bute Construction Excellence
- Construction Licensing Executive
- Scottish Consumer Council
- Borders Construction Industry Forum
- Scottish Enterprise
- Highland and Islands Enterprise
- Scottish Executive

Modernising Construction:

For more information on Modernising Construction in Scotland visit www.pullingtogether.co.uk

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SCOTTISH EXECUTIVE

