

Construction Leadership Forum
COVID-19: Recovery Planning Group
Meeting 09
30 July 2020
Telephone Conference Call
09:00 – 10:30

Note of meeting

Present:

Kevin Stewart MSP, Minister for Local Government, Housing and Planning

Construction Industry

Grahame Barn – Industry Leadership Group member, Construction Scotland

Jim Blair - Balfour Beatty Scotland

Bruce Dickson – Industry Leadership Group Member, Construction Scotland

Emma Dickson – Technical Director, Arcadis

Steven Dillon – Scottish Trade Unions Congress

Hew Edgar - Head of UK Government Relations and City Strategy, RICS

Ron Fraser – Executive Director, Construction Scotland

Ken Gillespie – Chair, Construction Scotland

Stephen Good, Chief Executive, Construction Scotland Innovation Centre

Elliot Robertson – CEO Robertson Group

Alan Wilson – Managing Director, Select

Scottish Government and Associated Agencies

Scott Bell – Deputy Director, PDCRD, SG

Joe Dowd – Team Leader, Construction Team, SG

Jane Duffy - Apprenticeship Policy Team Leader, SG

Dr Stephen Garvin, Head of Building Standards

Alasdair Graham – Acting Director of Major Projects, Transport Scotland

Sharon Miller, Manufacturing and Construction, SG

Graham Porteous – Head of Construction Procurement Policy Unit, SG

Peter Reekie – Chief Executive, SFT

Dermot Rhatigan - Deputy Director Manufacturing & Industries, SG

John McLean - Construction Procurement Policy Unit, SG

Apologies:

Bruce Clark - Joint Managing Director, RJ McLeod

Elaine Ellis – Skills Development Scotland

Ian Gilzean – Chief Architect, SG

Hector MacAulay – Managing Director, Balfour Beatty Scotland

Alan Morrison – Health Finance and Infrastructure, SG

Colin Proctor – Director, Construction Industry and Delivery, SFT

		Action
1	Introduction and Apologies	
1.1	The meeting commenced at 10:00.	
1.2	The Minister welcomed the delegates to the meeting including the new members. He also encouraged members to sign up to the data and intelligence platform, if they had not already done so, via the link circulated by Stephen Mann.	
2	Minute of Previous Meeting	
2.1	The Group accepted the note of the meeting of 16 July as a true record.	
3	Actions	
3.1	At the Minister's request, Scott Bell read through the actions of the previous meeting, giving a progress update on each. These will be reflected in the updated Actions Register, which will be distributed to the members.	
4.	Skills and Workforce Sub-Group Update	
4.1	<p>This item was moved forward in the agenda, due to the co-chairs being unavailable for the whole meeting. Jane Duffy began the update by thanking Alan Wilson for getting details of an apprentice to attend the group and to Unite for further details of another apprentice. The group is making good progress and has a list of actions which are being grouped together & ranked in terms of preference. The key points were:</p> <ul style="list-style-type: none"> • Short term focus is on communications and engagement, ensuring that the right guidance is getting out to employers the supply chain and employees. • Work will be required to identify all available funding sources- expecting The Advisory Group and Enterprise and Skills reports to come out next week with details on funding available. 	

4.2	<ul style="list-style-type: none"> • Looking at training courses around health & safety – mental health etc. Also seeking reassurance on the safety of workplaces • Looking at what kind of skills portal could be developed bringing together online courses- Skills Development Scotland already have the 'My world of work' website, but this needs improvements. • On qualifications- There have been some concerns that some qualifications will be withdrawn due to low uptake requiring a strong representation from industry to avoid this, where skills are low volume, but significant in terms of skills required, In the longer term, there is a need to look at qualifications in general- are they fit for purpose in the Covid climate. • Monitoring skills tests- ensuring that apprentices can access quickly, but that standards are maintained. It was noted that there is a backlog, as this is peak time for skills testing- need to ensure colleges and the Higher Education sector have capacity to deliver and teach, including considering any mitigation actions required. • In the longer term the group are considering skills for the future, in terms of green economy, future improvements to Building Standards, energy efficiency, etc. • The next meeting is scheduled for the 24th July. <p>Emma Dickson noted that the group was also looking at universal inclusion, upskilling (post apprenticeship leadership skills). She noted that further work was required to rationalise all of the points to achieve greater focus. It was noted by both co-chairs that the volume of points being considered was due to the high levels of engagement from the sub-group.</p>	
4.3	As there were no questions from the group, the Minister asked if the Group is looking tailoring courses to current needs and hoped there was recognisance of Seam Smith's report.	
4.4	Jane Duffy replied that the group was also looking at updating training and education and was reviewing Professor Smith's work noting that he was part of the sub-group.	
5.	Update on Editorial Sub Group	
5.1	Peter Reekie updated the members on the work of the sub-group, which had met earlier that week. Progress is being made on development of a web-based platform for information /planning, details of which he hoped to be in a position to share the following week. It was proposed that as a part of this there would be a single repository of facts on	

<p>5.2</p> <p>5.3</p> <p>5.4</p>	<p>industry statistics- work going on to build a list of the key information that would be up to date He asked the group if they had any thoughts on this.</p> <p>The group is also collating outputs from all of the various work streams and is looking at overlaps and underlaps, in preparation for the first published output, due by the end of the following week.</p> <p>It was noted that Infrastructure Commission had published their phase two report the previous Monday. Noted that the work of the forum seems well aligned with the Commission's recommendations, which the sub-group has considered.</p> <p>Scott Bell added that the group was making good progress</p>	
	<p>The Minister invited questions.</p>	
<p>5.2</p>	<p>Elliot Robertson asked when the Scottish Government was likely to respond to the Infrastructure Commission's report</p>	
<p>5.3</p>	<p>The Minister that there was no date set as yet, noting that the government was still in the process of responding to the Economic Group's report.</p>	
<p>6.</p>	<p>Update on Pipeline/ Commercial Sub-Group</p>	
<p>6.1</p> <p>6.2</p>	<p>Graham Porteous provided the members with an update on the sub-group, which he co-chairs with Bruce Dickson. The group has had two meetings to date, one focusing on Pipeline and another on Sustainable Pricing.</p> <p>At the meeting to discuss Pipeline, the group investigated the needs of Industry and their requirements, guiding parameters, and ideas for consideration that would provide useful framing for taking things forward. The discussion highlighted:</p> <ul style="list-style-type: none"> • That the key issue is to try and ensure 'short term confidence' in the market. • Consideration to be given to the types of indicators which demonstrate work flow and collect data. • It was suggested that the wide range of public bodies makes it hard to get a handle on and to understand a collective view of work flow. • Short term issues with grant funding bodies for third sector organisations were highlighted – for example local government and lottery funders. • Data should be collected on where funding and other blockages are happening with a view to unlocking these. 	

<p>6.3</p>	<ul style="list-style-type: none"> • It was questioned if there were opportunities for the public sector to ‘intervene’ to unlock private sector projects that are stalled, either by regulation or funding. • It was noted that there are two major frameworks going through the procurement process at the moment and concern was raised that this has been slower than expected. • It was questioned if Brexit might add further problems. • It was noted that there is a need for improved clarity, particularly for medium term and good communication is required from across all portfolios. • There is a need to communicate plans clearly, where possible at all public sector levels. • Financial uncertainties could impact on capital spending plans. • Local Government are currently readdressing priorities and short term additional Covid costs could impact on the medium term capital pipeline. • That housing depends on private market and also Scottish Government funding decisions. • There might be a 6 to 9 month gap until things settle leading to a more positive medium term outlook. • The Scottish Futures Trust presented emerging thoughts on development of a ‘central’ pipeline tool which was well received and lots of encouragement to get it done as soon as possible. <p>Bruce Dickson updated the group on the meeting on sustainable pricing, which he noted was well attended and contained a good cross-section of stakeholders. The key outcomes were-</p> <ul style="list-style-type: none"> • That the Scottish Government Legal Department will be asked to review their position on median pricing (which is still the industry preference) - in the context of COVID-19. • The Group reviewed Transport Scotland’s graduated scoring method and agreed that Transport Scotland would review median ‘drop off’ to make this more balanced. • The group looked at Scottish Prison Service’s quality scoring, and agreed that SPS will circulate how they score quality, for review by the group. Agreed that a new model needs to be found for quality moving away from ‘essay writing’. Noted that there would be overlap with the Transformation sub-group. • Agreed that works with high degree of technical ability should not be procured using open tenders and that SG guidance should be updated to reflect this. • Consideration of how to balance local government’s priorities of price and certainty, with industry wanting 	
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	<p>more shared risk and to move away from 'lowest price' tenders .</p> <ul style="list-style-type: none"> • That there should be better & updated guidance on abnormally low tenders, particularly post-Brexit, perhaps using the Northern Ireland model. 	
	The Minister invited questions.	
6.4	<p>Elliot Robertson asked for further information regarding the pipeline tool. Graham Porteous explained that this is a database under development by SFT that captures all of the projects that are being considered by local authorities across Scotland, allowing the data to be interrogated and queried. He added that this is currently under development and almost at the roll out stage. It was agreed that Graham Porteous would provide further detail on this.</p>	Action
6.5	<p>The Minister noted that the update had made reference to issues around lottery funding. The Minister asked that he be briefed on any difficulties, to consider what action was required.</p>	Action
6.6	<p>Actions:</p> <ul style="list-style-type: none"> • Officials to check if and when the SFT's central pipeline tool will be rolled out. • Officials to update Minister on the specific issues, in relation to Lottery grant funding. 	<p>GP</p> <p>GP</p>
7	Update on Supply Chain Sub-Group	
7.1	<p>Dermott Rattigan provided the update to the group. It was reported that there had been two meetings of the sub group. The first had involved substantial discussion on cross cutting range of topics. The second had focused on the key topics for the supply chain. It was noted that confidence had come out as a key thought. It was further noted that some employees within the supply chain were still furloughed, which is impacting on projects in terms of delays where sub-contractors are not able to do their part. It was stated that there would be link in with the Pipeline and Commercial sub-group, especially around the central pipeline tool.</p>	
7.2	<p>The group has identified Four key clusters to focus on :</p>	

7.3	<ul style="list-style-type: none"> • Development & enabling. • Zero carbon/ energy efficiency. • Tax and financial issues- considering the difference between refurbishments and new builds. • Materials, including product & service supply. <p>These are due to be looked at over the next week with the goal to produce more refined actions which will be shared with the editorial sub-group.</p>	
	The Minister invited questions	
7.4	Ron Fraser asked if the sub-group was look at mapping of the supply chain, specifically if there was enough understanding of the manufacturing capacity needed to support the industry, or if improvements are required.	
7.5	Dermott Rhatigan noted that this hadn't come up in the meetings, but something that should be considered to greater understand capabilities. It was noted that Scottish Enterprise have started looking at a supplier tool to identify the gaps, but this was not fully developed. It was discussed that while the group would probably not get through this in the next week, it was good to have in the overall map.	
7.6	<p>The Minister stated that there are two things that are extremely important for this group:</p> <ul style="list-style-type: none"> • In terms of looking at and mapping the supply chain there is a need to consider the impacts of Brexit, to avoid further 'shocks to the system'. • He noted that Ministers have lobbied the UK Government on reducing / getting rid of VAT on retrofits, repairs & refurbishments etc. The Minister noted that there was perhaps an opportunity for the SG and industry to speak with one voice and draft, through the Minister's office, a letter to the Chancellor of the Exchequer. 	Action
7.7	<p>Action:</p> <ul style="list-style-type: none"> • Scott Bell to co-ordinate a draft letter though the Minister's office from SG and Industry to the Chancellor of the Exchequer, regarding reducing/ removing VAT on building retrofits, repairs and refurbishments. 	SB
8	Update on Transformation Sub-Group	
8.1		

	<p>Ron Fraser, providing the update, noted that there had been two further meetings of the group since his last update.</p> <p>The first meeting focused on Process improvement, with an emphasis on safety and productivity. The sub-group had looked at design solutions, regulations, new products number of actions agreed-</p> <ul style="list-style-type: none"> • It is critical (in relation to safety) – go back the industry to gather more evidence of good practice in complying with the SOP construction guidance. This is an ongoing process to capture information from site visits, photographic evidence of on-site procedures etc. The intent is that this good practice can be disseminated to SMEs and the domestic sector. • Regarding design, the sub-group took action to engage with professional bodies in supporting members to avoid/mitigate use of close working. As many of the current designs being worked on pre-date the pandemic, consideration is being given to how close working can be ‘designed out.’ • Looking at new products- innovative solutions are being looked at including specification of lighter weight materials that can be installed without close working. • There is an appreciation of the overlap with the Transformation sub-group and there is a proposal to involve the Innovation Centre in a study on this. This would identify key areas for a need to reduce close working, which in turn would improve safety and productivity 	
<p>8.2</p>	<p>The second meeting looked at digitisation, which is linked to quality agenda. Looked at digital products, how to use to stimulate recovery and ensure SME aware. Feedback has shown that smaller companies are not as well informed on the digital options. One solution proposed was to perhaps commission a study or produce guide, to assist SMES with this. It was noted that some contractors are unsure what a client needed, so a public sector digital strategy may be required.</p>	
<p>8.3</p>	<p>The sub-group also looked at the topic of quality, on which it was noted that considerable work has already been done, The group looked at the construction Quality Initiative, the Agenda for Change Initiative and are considering outputs to take forward.</p>	
<p>8.4</p>	<p>A key risk that the group identified is that as we are in ‘recession conditions’ there is a potential for a race to the bottom on price and quality can suffer. It was noted that</p>	

8.5	<p>anything group can do to alert purchasing trade bodies and their professional advisers to adopt more collaborative approach to procurement will pay dividends, as a move to unsustainable prices, will lead to quality problems in the future. It was noted that the Pipeline and Commercial sub-group has an overlaps on this.</p> <p>It was advised that the sub-group has another meeting planned on Modern Methods of Construction.</p>	
	The Minister invited questions	
8.6	<p>Emma Dickson noted that the Digital construction skills group (funded by CITB) had been doing a good job in connecting companies with digital construction skills and talking through with company owner to discover challenges, as opposed to trying to impose these. The funding for this group has, however ceased. The skills group within Construction Scotland is looking at engaging with SMEs on digitisation. It was agreed that Emma Dickson and Ron Fraser would discuss this further off-line.</p>	Action
8.7	<p>Elliot Robertson noted that there are innovative products that sought to capture carbon and asked if the sub- group were considering these.</p>	
8.8	<p>Ron Fraser stated that the sub-group have a further meeting scheduled on modern methods of construction, have another planned on zero carbon and the circular economy. The sub-group planned to identify products for test study and will look at carbon capture. He invited anyone on group with any insights to make contact with him.</p>	
8.9	<p>Elliot Robertson noted that some global companies were looking for investment in this area at the moment and that this might be something the Scottish Government could look at He noted that this was in the early stages of development and that he could certainly provide some insight into that. He also highlighted that there is another aspect around whole life cost in relation to ownership of building- with a move to review a standard approach around whole life cost assessment, rather than just capital costs which needs to be part of procurement agenda. Peter Reekie noted that work was underway on 'Whole Life Value' and that he could put him in touch with this work.</p>	Action

8.10	<p>Actions:</p> <ul style="list-style-type: none"> • Emma Dickson to discuss off-line with Ron Fraser engaging with SMEs on digital skills. • Peter Reekie to put Elliot Robertson in touch with work progressing on Whole Life Value. 	<p>ED, RF</p> <p>PR</p>
9	Update on Data and Intelligence Sub-Group	
9.1	<p>Stephen Good provided the update. It was reported that the group has met three times, and that the information portal went live on 20 July. It was noted that 35 members of the various subgroups have signed up, out of around 80. He encouraged more members to sign up, informing the group that 75 evidence sources have now been uploaded and that information from the Scottish Government on Quarter 1 and 2 key statistics (including GDP, GVA, etc.) was due to be uploaded to the portal. He noted that to date there had been no requests from any of the sub-groups for specific data, and that members should feel free to ask any day they required.</p>	
9.2	<p>The group has also asked all of the co-chairs of the sub-groups if they have access to any recent or current questionnaires, which could be uploaded to the portal, and this requested was highlighted again.</p>	
9.3	<p>Another function, the funding opportunities link is not yet live, but is currently being collated.</p>	
	<p>The Minister invited questions, but none were forthcoming</p>	
10.	Open Discussion	
10.1	<p>The Minister commented that the group had gone through a number of topics today and asked if there was anything else that they wished to raise.</p>	
10.2	<p>Steven Dillion informed the group that whilst he had seen a lot of good practice in visiting sites (and was happy to visit any others) There were still a few issues, namely:</p> <ul style="list-style-type: none"> • Some workers had reported that they had been assaulted by site agents over PPE. He also knew of workers who had left sites over their concern over poor Covid-19 practices. • He asked if there was anything that could be learned from the recent outbreak in Ireland, noting that construction is a nomadic occupation and that sufficient track and trace measures are essential. 	

	<ul style="list-style-type: none"> The Infrastructure Commission's report had highlighted issues around redeployment, apprentices- trade union access and precarious work contracts 	
10.3	In response, the Minister said that he was glad that site visits were going well and hoped member would take up his invitation to visit others. In terms of workers being assaulted, he stated that he was very keen that that any instances be fed into the SG to monitor the situation. Regarding the Irish situation, he instructed officials to see what is lessons can be learned from other countries (such as Ireland) around dealing with outbreaks on sites. In terms of test and protect the Minister noted that this was working extremely well with tracking of small clusters having occurred. The Minister also noted that the SG have received the Infrastructure Commission's report and recommendations and would respond in due course.	
10.4	Alan Wilson noted that there was a lot of great work, but wanted to ensure that any communications strategy was reaching the smaller companies in the sector.	
10.5	The Minister asked if officials could look at putting some messaging via social media channels as he felt that this would have a wider reach into these companies as opposed to messaging via a website. It was agreed that the Editorial sub-group would pick up on this. Alan Wilson noted that he had good lines of communication through the CICV forum and was happy to assist in any way he could,	Action
10.6	Graham Barn noted that much of the current scenario planning focused on a lockdown in major area. He stated that it would be helpful if the SG could provide clarity on the scenario whereby a lockdown occurred in a specific location, and queried the position on furloughing in terms of implications on the workforce.	
10.10	The Minister responded by saying that this was something which had been raised with the UK Government and that officials would relay this again to ensure that he UK Government knows that this has been raised by industry as a cause for concern, He added that he hoped this situation would not occur and that test and protect was absolutely vital to stop any spread. He hoped that the UK could adopt a 'four nations' approach, but noted that discussions on this were still ongoing.	Action
10.11	Elliot Robertson stated that he believed that a key priority for industry is around pipeline to market as quickly as possible. He noted that identifying the route to market would be useful at this stage and looking at ways to get funding to local authorities to get stalled projects to market, which would help economic recovery. He also noted that there is big issue with	

	<p>Covid costs, and asked if there was any way to look at this more immediately that is currently planned, particularly with reference to CDM regulations. He also queried that in the event of a local cluster / outbreak, would the introduction of any necessary restrictions come from the local authority or SG.</p>	
10.12	<p>The Minister stated that a summary of how the responsibilities around test and protect in relation to local clusters worked would be provided. In terms of local authority capital spending, the Minister did not believe that authorities required more funds as there are mechanism in place to ensure that they can finance capital expenditure. After further discussion around projects being paused due to financial issues, the Minister stated that he would welcome details on where this was occurring, as it was his belief that local authorities should be investing in capital projects.</p>	Action
10.13	<p>The Minister added that the SG is looking at all spending options in terms of boosting the recovery. He stated that he was currently working to ensure that allocated monies for the affordable housing programme were spent, to get as near as possible to the 50 000 new homes target, including 'off the shelf' homes, where appropriate to aid the recovery</p>	
10.14	<p>On Covid costs, the Minister informed Elliot Robertson this this would be looked into, but that the government cannot resolve every contractual dispute, nor be able to provide additional resources to do this. In terms of what the government could do was call for a 'common sense approach.' to this, but that the information relating to this would first need to be provided and analysed to identify appropriate measures. He also advised that the government would continue to look at the issues raised including the obligations under CDM regulations that Elliot Roberson had raised.</p>	
10.15	<p>Action:</p> <ul style="list-style-type: none"> • Scott Bell to contact Health officials to see what is lessons can be learned from other countries (such as Ireland) around dealing with outbreaks on sites. • Scott Bell to relay to colleagues connected with the UK Government the industries concerns over furloughing available in the case of a localised outbreak. • Editorial Sub-Group to look at social media messaging with regards to cascading information to SMEs 	

	<ul style="list-style-type: none"> Officials to provide Elliot Robertson with a summary of how test and protect works and who deals with what in regard of SG/LA responsibility for local clusters 	
11	Any other Business	
11.1	As there was no other business, the Minister thanked all of the group for their participation.	
12	<ul style="list-style-type: none"> Date of Next Meeting 	
12.1	The next meeting will be on 11 August 2020 at 10:00. Details will be circulated prior to the meeting,	