



Scottish procurement: Construction policy note

CPN 2/2024

20 June 2024

Construction pipeline forecast tool

Purpose

This Construction Policy Note (CPN) draws attention to the [Construction Pipeline Forecast Tool](#) (the Tool) and encourages all public bodies to upload data on their planned and potential construction projects over £200,000. The Tool provides a centrally co-ordinated repository for recording where and when future construction work is likely to be conducted by the public sector. It has been developed in partnership with industry and public bodies.

Key message

Public bodies are requested to support this Tool by uploading their pipeline data in order to:

- assist both public and private sector to understand the strategic demand for construction services from the public sector in Scotland
- gauge the potential delivery capacity of the market
- aid collaboration between public bodies
- allow industry to plan to provide appropriate resources, where possible, to deliver the projects

Public bodies within scope of the [Scottish Public Finance Manual](#) should submit their construction pipeline data to the Tool.

Target audience

This CPN provides guidance to assist public bodies plan, procure and manage construction projects. It is aimed primarily at public sector clients, although it should also be of assistance to contractors and consultants alike in developing their understanding of how the public sector delivers construction projects. It is applicable guidance under the [Scottish Public Finance Manual](#).

Background

Construction accounted for £6.6 billion (8.1%) of Scotland's Gross Value Added in 2020. There were over 47,000 businesses operating in the construction sector in 2022. In terms of public sector procurement, almost a quarter (23.4% in financial year 2021/22) of all public procurement spend in Scotland was on construction. Construction also accounts for around 12.6% of public sector spend on SMEs. Greater transparency in forecast pipeline will help develop business confidence, planning and investment and

support a sustainable construction sector. It will also provide greater ability to allow collaboration and co-ordination between public bodies.

In partnership with industry and the public sector, Scottish Futures Trust developed and launched the Tool in July 2021. Currently, there are approximately fifty contracting authorities and twenty sectors using it.

Overview

The Tool provides a national forecast of construction projects and is enabled through the submission of data to the pipeline by public bodies. The data is consolidated and published through interactive dashboards where projects can be searched by value, sector, public body and geography. It is updated every six months.

While the Tool is the most comprehensive and current example of its type in Scotland, users should be aware that it may not represent all public sector construction activity in Scotland. Projects appearing on the forecast are at various stages of preparedness and some projects may not proceed to tender within timescale or indeed at all. Others, which are being progressed, may not have been notified and therefore will not appear on the Tool.

The Tool offers a range of benefits to industry including the following:

- provides business confidence through greater transparency of forecast construction spend
- enables targeted upskilling and business investment to respond to future pipeline projects
- enables greater collaboration with the supply chain

It also benefits the public sector as follows:

- provides an efficient and centrally managed system to enable greater transparency
- enables greater collaboration and insight in forecast investment by place
- supports the development of a sustainable and prosperous construction industry to deliver high quality public sector infrastructure

Dissemination and contact

Please bring this CPN to the attention of all those involved in the procurement and management of construction projects. If you have any questions about it please contact:

The Construction Procurement Policy Unit
The Scottish Government
3B South, Victoria Quay
Edinburgh
EH6 6QQ

E-mail: propertyandconstruction@gov.scot
[Construction procurement web pages](#)

Frequently asked questions

Organisations required to submit project data

All public bodies subject to the Scottish Public Finance Manual should consider this to be applicable guidance. Other organisations are requested to support the Tool by uploading their project data.

Relevant projects

All construction projects over £200,000 should be included in the pipeline. This includes those which are still in their early stages of consideration or development, e.g. proposed or potential projects. The earlier that projects or potential projects can be notified, the more effective the pipeline will be. It is accepted that this may mean that some projects on the pipeline may not actually progress to market or construction.

Timeframe for submissions

Public bodies are encouraged to submit details of their proposed projects as early as possible. As soon as there is a likelihood of a project being conducted details should be uploaded. While some projects will be included which do not proceed, their inclusion is important to ensure that the Tool reflects the true potential of resource demand and project delivery environment.

A reminder will be sent to all registered members for them to submit data every six months during the second and fourth quarters annually.

Completing and submitting project data

Data can be submitted through Tool's [upload page](#). It requires fifteen data points per projects via a sample spreadsheet that can be uploaded on to the system.

Relationship with other pipeline and update processes

This CPN is separate to and does not replace the following existing requirements:

- [Section 18\(2\)\(f\) of the Procurement Reform \(Scotland\) Act 2014](#) for contracting authorities with a £5m annual procurement spend to publish their annual procurement pipelines.
- Scottish Government's six-monthly Major Capital Projects Progress Update report provides information on the progress of infrastructure projects where the Scottish Government has a lead role in procurement or funding; which have a value of more than £5 million; and which are at Outline Business Case approved stage or beyond.