

Construction Scotland/ Scottish Government Leadership Forum

19 November 2019

St Andrews House, Edinburgh

14:30 -17:00

Note of meeting

Present:

Rab Bell – Industry Leadership Group Member, Construction Scotland
Scott Bell – Deputy Director, PDCRD, SG
Bruce Dickson – Industry Leadership Group Member, Construction Scotland
Ron Fraser – Executive Director, Construction Scotland
Ian Gilzean – Chief Architect, SG
Stephen Good, Chief Executive, Construction Scotland Innovation Centre
Brendan Little – Portfolio Manager, Collaborative Procurement, SG
Ainslie McLaughlin – Director, Procurement and Property, SG (Chair)
Sharon Miller – Team Leader, Construction, Manufacturing & Industries, SG
Graham Porteous – Head of Construction Procurement Policy Unit, SG
Colin Proctor – Director, Construction Industry and Delivery, SFT
Peter Reekie – Chief Executive, SFT
Jan Tyczynska – Senior Portfolio Manager, Collaborative Procurement, SG

Apologies:

Graham Barn – Industry Leadership Group member, Construction Scotland (Rab Bell attended on his behalf)
Ken Gillespie – Chair, Construction Scotland
Richard McCallum – Deputy Director – Health Finance and Infrastructure, SG
Michelle Rennie – Director of Major Transport Infrastructure Projects, Transport Scotland
Dermot Rhatigan – Deputy Director for Manufacturing and Industries, SG (Sharon Miller attended on his behalf)
Richard Rollison - Deputy Director of Innovation, Industries & Investment, SG (Sharon Miller attended on his behalf)
Deborah Smith - Deputy Director, More Homes Division, SG

Review of Note of Previous Meeting:

The meeting was accepted as a true record by those present.

Update on Working Groups:

1. Sustainable Pricing

The next meeting of the Sustainable Pricing group is scheduled for 10th December 2019. The delegates have been in discussion prior to the meeting, regarding proposals in terms of weighting and scoring of tenders. It is proposed that discussion will focus on alternate pricing models. The main goal is to reduce and remove the amount of unsustainable pricing in place.

Median pricing was raised and the group heard that industry representatives understand the issue faced, and agreed focus will move onto other mechanisms to counteract a tendency to favour unsustainable pricing.

A narrative is now in place to push away from the lowest price bid in tenders with Public Contracts Scotland now having a check in place for Tenders with a 0% quality score. If this takes place, a warning screen appears on the system. Zero quality tenders should not be carried out as based on the current procurement regulations. A blog was issued on the SG website.

There was discussion around abnormally low tenders and weighting of quality scoring. It was suggested that moving away from scoring quality marginally could making a difference. Transport Scotland have looked at modelling this, which could be discussed further at the workshop.

Blog is available to read at: <https://blogs.gov.scot/public-procurement/2019/11/01/public-contracts-scotland-update/>

TS to provide worked examples on regarding price/ quality ratios at the forthcoming workshop.

2. Frameworks

A presentation was given by the Collaborative Procurement Construction team. An overview on the current framework landscape was given.

The Collaborative Procurement Construction team are looking to provide a framework that could fill any gaps in the current market, with the ethos of not replacing, but enhancing what arrangements are in place.

The overview provided a look at Crown Commercial Service Frameworks lots and gave figures for the number of Scottish companies and Scottish SME companies on Scottish lots. Delegates noted that there were a large number of companies on the framework, compared to some others.

A meeting has been set up with Crown Commercial Service on 17th December 2019. Any questions that the group has in regards to the Framework ahead of this meeting

can be forwarded onto the Collaborative Procurement Construction team who will raise them at the meeting.

Collaborative Procurement Construction team to attend meeting with Crown Commercial Service and provide feedback from the meeting at the next leadership meeting.

Collaborative Procurement gave an indicative timeline for the framework being processed at the moment. The group noted it was keen to get as many Scottish companies bidding as there should be a structure and incentive in where and how they should be looking for business both in and out with Scotland.

It was mentioned that the Supplier Development Programme is a network that can be used and the connections the group has could be used to provide opportunities to encourage suppliers to bid for tenders.

Delegates noted that consideration should be given, with regards to companies having building experiences within certain locations (e.g. Highland and Islands) bidding for opportunities within these areas. They also requested a copy of the slides presented.

Collaborative Procurement Construction team to share a copy of the slides with group.

3. Quality

An update was given in regards to the Construction Quality work-stream and the actions taken from the last meeting.

Overview and engagement of steering groups and workshops have been set up. The workshops have been collated with the SG's Leading Improvement team

Stephen Good of the Construction Scotland Innovation Centre gave a talk to the delegates, giving an overview of the Construction Innovation Hub's Design Standards Board for its Platform Design programme, that he is currently engaged with. The goal is to look at the standardisation of materials within the construction process, as with the aerospace and automotive industries. The next meeting is scheduled for January 2020. It was suggested that a further update could be provided to the group following this.

The group to consider inviting Stephen Good back to provide an update.

The delegates considered the potential implications of a drive to more standardised buildings, noting that despite there being some scepticism in the industry there was the risk of Scotland being 'left behind' if ignored. They also considered the questions of there being sufficient infrastructure and the culture change that this could require. The delegates also discussed whether standardisation was in keeping with Scotland's Architectural policy that puts a priority on 'place'.

Follow up on Actions from Previous Meeting

1. Economic Leakage

It was noted that there had been no further thoughts on this

2. Setting Up of a sub-group of Building Frameworks

Construction Scotland to be invited to update the group on progress.

AOB

Climate Change

A presentation was given in regards to Climate Change. This was taken from one that was presented by Kersti Berge at Procurex in October 2019. The slides had been shared with the group prior to the meeting.

It was commented that Climate change is something that plugs into everything- The Scottish Government in Programme For Government has committed to mobilise £11bn spend to support climate emergency response.

It was noted that the construction industry is the largest landfill waste contributor in Scotland. The delegates considered if a modular approach would reduce this, as opposed to the current bespoke manufacturing methods.

It was noted that everyone has their own part to play in ensuring that Scotland meets the carbon neutral targets set by Parliament. The group considered what actions it could take in regards to this. It was suggested that the new national framework could be used to support this, in terms of specification and weighting.

RIAS

A meeting is set up with RIAS before the festive period looking at the topics of the procurement and fees, looking at new drivers and innovations across various different professionals.

| |
|--|
| Colin Proctor will provide an update at the next leadership group meeting. |
|--|

CECA

CECA have recently undertaken a lot of work with companies, which is an engagement they are keen to keep going and which they are looking to draw together before Christmas. The Collaborative Procurement Construction team will engage with them on this, specifically regarding their previous paper on frameworks.

| |
|---|
| Rab and Jan to engage regarding frameworks. |
|---|

Date of Next Meeting:

The next meeting will be held on **Wednesday 19 February** in Room **3E-95, Victoria Quay, Edinburgh**.