

Levack at Large
Project Scotland – June 2011

It's been an interesting few weeks kicking off the five-year term of a Scottish Parliament with a very different political complexion compared to the previous four years. Early on, the newly re-elected Scottish Government has shown it is listening, having announced the creation of a new cabinet position with responsibility for infrastructure and capital investment. This is a major step towards the Scottish Building Federation's (SBF) long-running campaign for the appointment of a dedicated minister for construction. I look forward to working with Alex Neil and wish him every success in what will undoubtedly be a challenging role.

I hope Mr. Neil will be permitted the necessary tools to act as an effective champion for the construction industry within Cabinet and Government – and to ensure that the myriad of policies affecting the industry are the subject of proper joined-up thinking.

Some positive progress has also been made by the Scottish Futures Trust (SFT), which has just announced its intention to raise significantly the threshold for bundling contracts under its hub scheme for delivering public sector construction and maintenance projects. This is a positive step forward in giving smaller construction firms better access to the public procurement market. It's also another important win on the Scottish Building Federation's key list of demands for action to support the industry.

That said, there is a good deal more still to be done to give smaller firms fair and open access to public sector contracts. Another key demand from SBF in the run-up to the May elections was for the introduction of community benefit clauses into the process of tendering for public works. The purpose of these clauses would be to give proper recognition to those building employers committed to creating local employment and apprenticeship opportunities and to make the creation of such opportunities one of the determining criteria for public authorities in selecting a contractor to carry out public sector construction projects. Effectively, this measure would ensure that smaller local construction firms have a better chance of competing successfully for new public contracts.

On the back of the SBF's campaign, I was pleased to see the SNP commit itself to bringing forward a new Sustainable Procurement Bill precisely in order to address this issue. I hope we will see the Scottish Government acting early to bring this legislation forward and to put it into practice.

On the less positive side, I remain troubled by the rose-tinted picture painted by ministers of the current state of the industry, based on official statistics which – as I have stated before in this column – are open to serious question. This picture sits very uneasily with other statistics from Skills Development Scotland showing around 85% of the almost 1,000 modern apprentices who were made redundant over the past year came from the construction industry. With these alarming numbers in mind, next on the SBF's campaign list will be a focus on securing additional measures to support building apprentices, to encourage more young people back into the industry – and to keep them there.

Looking further ahead, I am more optimistic about the longer term outlook for the construction sector. Backed by Government targets, the emergence of new green industries has the potential to create major opportunities for industry growth.

In the shorter term however, a good dose of realism from the Scottish Government about where the industry currently stands and the huge pressure many firms continue to be under would not go amiss.