

19 March 2020

Ref: AW/SCCVF/SG_01

Ms Fiona Hyslop
Cabinet Secretary for Economy, Fair Work and Culture
The Scottish Government
St. Andrew's House
Regent Road
Edinburgh
EH1 3DG

Dear Cabinet Secretary

Scottish Government Support for the Scottish Construction Sector

We are writing on behalf of the undernoted organisations which represent the majority of businesses across Scotland who carry out work in the construction sector in both domestic and commercial properties. Members work in the private and public sector, which includes the NHS, Scottish Fire and Rescue, Police Scotland, Scottish Water, Network Rail, Transport Scotland plus of course the 32 Scottish Local Authorities and they carry out vital work in maintaining our nation's infrastructure. Our concerns are also shared by bodies such as the RIAS who have also contributed to this letter.

You will be aware that Scotland's economy is made up primarily of micro and small businesses many of whom are now facing the closure of construction sites as well as a reduction in domestic work. This will undoubtedly lead to business closures, loss of jobs and skills at a time that Scotland can least afford. These businesses employ local labour and account for most of the apprentices in the construction industry. Their demise would seriously dent Scotland's future economic growth.

We are sure you that will be aware of the issues we have raised over many years about delays in releasing payments and it's not our intention to reignite that particular issue at this time. However, what we would do need Scottish Government to do, in these unprecedented circumstances, is to use its influence with clients to ask that payments are accelerated as quickly as possible to ensure that the flow of cash is speeded up and of course continues. It is also vital that clients ensure that payment is cascaded down the supply chain to ensure that everyone who is legitimately due cash is paid more quickly. We would also request that all public sector clients immediately release any retentions due to boost cash flow.

We are at the beginning of what is likely to be a prolonged and very difficult time for a sector which has already been struggling during recent years. If the Scottish construction industry is to survive this crisis, it is absolutely vital that the Scottish Government continues to procure a steady pipeline of work. Given the unprecedented challenges ahead, we would urge the Scottish Government to relax current procurement rules and procedures in the short term to help industry and public sector clients overcome the inevitable staffing issues employers will face over the coming months.

By way of suggested short term and immediate actions, we would ask that you allow public sector clients to:

1. Suspend the use of Open Tenders.
2. Use Quick Quote where at all possible.
3. Adopt a light touch approach to tender documents as the private sector may not have the staff to compile large specifications and the public sector won't have the staff to mark it
4. Ask public sector departments to continue to work remotely to keep the planning, building warrant and procurement systems working and that they adopt a sensitive approach to engagement. For example, we want to avoid planning applications artificially being "timed out" for spurious reasons. Such actions will undoubtedly delay schemes getting on site and slow the recovery.
5. Ask public sector clients to provide clarity on existing contracts and on the contractual position regarding delays
6. Keep the momentum up!

We are all aware that the UK Chancellor has announced a series of measures to assist businesses and we would like to meet with you and your officials to explore how the Scottish government plan to assist Scottish construction businesses. We have some ideas which we would also be happy to share with you.

Now is the right time for Scottish government to show leadership and take whatever action is required to keep the industry afloat by taking bold and decisive actions as quickly as possible.

The group below, plus the RIAS has set up a Forum which will be meeting weekly to share intelligence and information across our sectors. We will also be speaking to our own individual members on a daily basis so we can keep up to date on how the crisis is affecting them across Scotland. We are happy to share this information with your officials and equally any information you wish to issue, we will have a conduit to share this directly with the businesses most affected.

We look forward to hearing from you.

Alan Wilson
Managing Director
SELECT

Fiona Hodgson
CEO
SNIPEF

Grahame Barn
Chief Executive
CECA Scotland

Vaughan Hart
Chief Executive
SBF

Gordon Nelson
Scotland Director
FMB

Nick Mellor
Managing Director
LEIA

Iain McCaskey
Head of Scotland
BESA

Robert Candy
Chief Executive
Scaffolding Association

John McKinney, Secretary
National Federation of Roofing Contractors & Stone Federation GB

cc. Kate Forbes, Cabinet Secretary for Finance