

## **MINUTES OF MEETING**

### **Construction Leadership Forum**

#### **Meeting 43**

**28 August 2025 10:00 – 11:30**

#### **Hybrid meeting**

#### **Attendees:**

##### *In person*

Chair – Richard Lochhead MSP, Minister for Business  
Operational Chair – Vikki Halliday – Supply Chains Innovation, SG

Morag Angus - Chief Surveyor and Head of Property and Construction, SG; Co-chair of Transformation Board

Elaine Ellis – Skills Planning Manager, Skills Development Scotland; Co-chair of Skills and Workforce Working Group

Toby Forster – Associate Dean-Built Environment, City of Glasgow College (*attending on behalf of Andy Pollock*)

Mark Gillespie - Chief Executive Officer, Recycl8

Lisa Goldie - Head of Construction Procurement Policy, SG

Jonathan Guthrie – Director for Strategic Partnerships, Robertson Group (*attending on behalf of Elliot Robertson*)

Gabriela Medero – Professor and Associate Principal for Enterprise, Heriot Watt University

Jennifer Phin - Managing Director, AC Whyte & Co Ltd, Glasgow

Peter Reekie - Chief Executive, SFT; Co-chair of Transformation Board

Karen Stevenson - Associate Director, Scottish Futures Trust (SFT)

Alan Wilson - Managing Director at SELECT; Chair of Construction Industry Collective Voice (CICV)

##### *Secretariat*

Tracy Edward - Supply Chains Innovation Unit, SG

Fran Petrie - Supply Chains Innovation Unit, SG

Steven Thistleton - Supply Chains Innovation Unit, SG

##### *Online*

Brett Amphlett - Policy & Public Affairs Manager, Builders Merchants Federation (BMF)

Steven Dillon - Regional Coordinating Officer, UNITE the Union

Morven Fancey - Head of Universities, Skills & Population at Highlands & Islands Enterprise (HIE)

Stephen Kemp - Managing Director, Orkney Builders

John MacIntyre - Transport Scotland (*attending on behalf of Alasdair Graham*)

Stuart Parker - Managing Director Scotland, Morgan Sindall; Co-chair of Procurement Working Group  
Alan Paul - Head of Property Services, Fife Council (*attending on behalf of Ken Gourlay*)  
Sandy Robinson - Principal Architect, SG  
Matt Stevenson - Founder and Managing Director, ECOsystems Technologies  
Michael Thomas - Health and Safety Executive (HSE)

### **Apologies:**

Hugh Carr - Head of Strategic Procurement, Scotland Excel  
Stephen Garvin - Head of Building Standards, SG  
Ken Gourlay - Chief Executive, Fife Council  
Alasdair Graham - Head of Design and Development, Major Projects, Transport Scotland  
Paul Griffen - Managing Director, McLaughlin & Harvey Construction Ltd  
Suresh Kumar - Deputy Director of Industrial Transformation, SG  
Lynsey Lennon - Scottish Water  
Andy Pollock - Associate Dean of Built Environment, City of Glasgow College  
Elliot Robertson - Chief Executive, Robertson Group  
Anna Stoll - Chair, Built Environment Change Makers

### **1. Teas/Coffees**

### **2. Welcome and Apologies**

- 2.1 The meeting commenced at 10:00. Vikki Halliday welcomed everyone to the meeting and welcomed the Minister for Business, Richard Lochhead.
- 2.2 The Minister noted he was keen to hear members' feedback from the construction sector and referenced some statistics from the CLF Construction Pipeline Forecast Tool: 1192 projects, from over 50 procuring authorities, and with an estimated construction value of £18.3bn.
- 2.3 The Minister is constantly seeing new developments but also noted output in Scotland's construction sector remained flat in the first quarter of 2025.

### **3. Minutes, Actions and Conflicts of Interest**

- 3.1 Vikki read through the apology list.
- 3.2 Vikki asked members if they were content to accept the minutes from CLF#42 and asked if there are any conflicts of interest to declare.
- 3.3 Minutes were cleared by members and no conflicts of interest declared.

### **Actions from Previous Meetings**

- 3.4 Vikki noted the ongoing actions:
  - A32.226 – Minister asked members to highlight to officials any innovative projects or businesses, or projects contributing to a just transition, that he or other relevant Ministers can come out to visit.
  - A32.229 – CLF Secretariat to circulate the link to the Construction Leadership Council (CLC) statement as a standing action.

- A42.277 - Officials to contact DITl and SDI colleagues regarding potential of a platform to showcase investment opportunities in projects in Scotland.

3.5 Vikki noted officials would respond in writing to Action A42.277 before the next CLF meeting.

#### **4. Agenda Item 4 - Industry Update**

4.1 Alan Wilson noted that while there are projects in the pipeline, contractors are seeing work being pushed back and are concerned all projects will come at once.

4.2 Inflation is still a challenge in relation to cost of materials and pricing.

4.3 Members should be aware that numbers of self-employed, sole traders etc. are going back into employment. This is a concern as these entrepreneurs take on apprentices.

4.4 While there is no issue attracting apprentices, there is a lack of willingness among employers to take them on due to cost concerns. The diminishing numbers could lead to problems later. The initial outlay for tools is expensive and this might be an effective way to support apprenticeships.

4.5 There is development but also stagnation. We should work together and keep work in Scotland to boost the Scottish economy.

4.6 Brett Amphlett offered an industry update from a UK perspective.

4.7 Scotland has its own aggregate levy but this is not overly problematic when goods are crossing the border.

4.8 There are a number of UK policies adding costs to construction:

- The Department for Energy Security and Net Zero's (DESNZ) Clean Heat Market Mechanism implements targets and penalties on boiler manufacturers based on sales of heat pumps.
- The Department for Environment, Food and Rural Affairs' (DEFRA) policy on responsibility for waste packaging determines that the businesses who put the packaging on the market must bear the full net cost of dealing with it once it becomes waste.

**4.9 ACTION - Brett noted he would forward articles for members to gain a better understanding of these issues – A43.279**

4.10 Steven Dillon noted there is a shortage of tradespeople but applications for apprenticeships are massively oversubscribed.

**4.11 ACTION – The Minister requests a compilation of statistics from across local authorities – A43.280**

4.12 Vikki referenced that Graeme Dey, Minister for Higher and Further Education, and Minister for Veterans is attending the CITB Skills and Training Conference today (28 August) in Perth.

4.13 Elaine Ellis noted that the problem is not talent attraction.

4.14 Stuart Parker highlighted that the numbers of people on courses is not reflected in the number of people being recruited.

## **5. Agenda Item 5 - Late Payments Consultation**

- 5.1 Lisa Goldie provided a Scottish Government Construction Procurement Policy Unit overview and context for the UK Government, Department for Business and Trade's consultation seeking views on proposed legislative measures to ensure companies pay their suppliers quickly and on time.
- 5.2 Construction is devolved but the outcome for Scotland will only become apparent when the consultation ends.
- 5.3 Lisa encouraged members to submit their views online or via the Procurement Working Group.
- 5.4 Vikki provided an update on Project Bank Accounts (PBAs). Officials met with Alan Wilson after being made aware CICV was writing to the Minister regarding an issue with the application of PBAs in an infrastructure project in England.
- 5.5 Alan will pursue the issue of a CICV guide on PBAs with CICV members.
- 5.6 Once more detail is understood from the legal action in England, officials will consider whether any review of the existing Scottish guidance is required.
- 5.7 Lisa noted that the outcome of the late payments consultation will apply across the public and private sectors.
- 5.8 Jennifer Phin noted that while retentions are generally fair they are seeing more bonds being introduced. Some of these bonds are unsustainable and this is working against stimulating the economy.
- 5.9 Lisa would like to understand the detail of this and refer to the late payment sub-group.
- 5.10 Stuart Parker pointed out that there is work happening through the Procurement working group. They are seeing requests for unlimited liability. Retentions should not be an issue if the contract is in the right place. It is potentially problematical if the UK Government opts for an outright ban and Scotland does something else.
- 5.11 Jonathan Guthrie offered to help in both his Robertsons Group and Scottish Property Federation roles.
- 5.12 Steven Dillon suggested that a clerk of works would help with retentions.
- 5.13 Vikki indicated it would be helpful for Lisa to return to CLF when the consultation ends.

## **6. Agenda Item 6 - HIE Investment Report & Discussion**

- 6.1 Morven Fancy provided an update on HIE Investment Report.
- 6.2 Morven highlighted the major economic investment coming to the Highlands & Islands.
- 6.3 HIE commissioned work to research the nature and scale of economic investment in the region.
- 6.4 Approximately 250 projects and £100.4 billion investment is forecast in the region between 2025 and 2040. For scale: the oil and gas boom of the 1970s was approximately £77bn of investment.

- 6.5 At peak there could be 16,000 annual construction jobs needed to facilitate this work not including housing.
- 6.6 Grid connection is crucial to facilitate this work but even half of the projects coming to fruition is still significant.
- 6.7 The workforce is the challenge and this is linked to housing issues in rural areas. The delivery of these projects will see a 6% increase in the population. They cannot recruit for jobs in the Highlands and Islands currently and have been experiencing a housing deficit for the last 20 years while national housing priorities are focussed on homelessness.
- 6.8 It is challenging getting bigger builders to build sufficient housing in the region.
- 6.9 Community groups have stepped in to the vacuum but the delivery of just a couple of houses can take between 3 and 10 years.
- 6.10 Economic growth in the Highlands & Islands is likely to outshine the rest of Scotland but will require an unprecedented construction workforce.
- 6.11 ACTION – Morven to share slides with officials for distribution to CLF members - A43.281**
- 6.12 Stephen Kemp stated that it can be difficult for private developers to access public funding and the availability of grants is limited. More SG funding to private developers for affordable homes would be helpful instead of via local authorities. They are selling houses at market value that cost more to build.
- 6.13 The Minister highlighted that this is a significant opportunity but we adopt a conventional approach to dealing with the obstacles to delivery.
- 6.14 Steven Dillon noted he would appreciate engaging with Morven regarding trades unions.
- 6.15 Jennifer Phin highlighted industry's frustration that the pipeline is clear and the outlook good but there are bottlenecks in skills and capacity. An urgent action plan is required.
- 6.16 The Minister questioned whether BE-ST are looking into this.
- 6.17 Jennifer noted that they are but a coordinated response across sectors is necessary.
- 6.18 Allan Wilson highlighted how shifting Government policy in renewables is frustrating. They have advised CICV to invest in training etc only for policies to change. Consistent Government policy would be helpful.
- 6.19 Stuart Parker suggested there is a need to look at offsite manufacture. The certainty of the pipeline will reduce the risk for contractors investing in the technology required to enable this.
- 6.20 Peter Reekie noted that SFT is working with Morgan and BE-ST.
- 6.21 Vikki pointed out that the housing investment task force is also working collaboratively.
- 7. Agenda item 7 - CLC Framework & Discussion**
- 7.1 Elaine Ellis presented on competence frameworks.

- 7.2 Elaine suggested a future presentation and discussion with the programme director Faye Burnett.
- 7.3 Frameworks have been delayed by years to get in line with England.
- 7.4 Although the Framework is mainly English-based the impact on Scotland can already be seen.
- 7.5 This is being flagged as it is a significant change that will impact many of the professions in the construction industry.
- 7.6 Vikki suggested a future CLF meeting on skills and pathways.
- 7.7 Peter noted that working groups are working on this.
- 7.8 Elaine stressed that mobility of labour across the UK could be impacted if this is not addressed at CLF level, as opposed to smaller groups.
- 8. Agenda Item 8- TAP Update**
- 8.1 Peter Reekie offered a presentation on a refocus of the core priorities of the TAP, emphasising more critical agendas across Pipeline, People and Product.
- 8.2 TAP25 is a more outcome focussed programme, directing energy towards these key priorities.
- 8.3 Next steps are TAP activity to continue with this new renewed focus.
- 8.4 The Board will focus on People Mission.
- 8.5 The feedback from CLF suggested that a refresh would aid collaboration in tackling issues.
- 9. Agenda Item 9 - AOB**
- 9.1 The Minister thanked everyone for their contributions.
- 9.2 The Minister highlighted the need to capture these issues for the new Cabinet Secretary for Housing, Mairi McAllan.
- 9.3 ACTION – The Minister requests a health check of the construction industry in Scotland relative to other sectors – A43.282**
- 9.4 Steven Dillon suggested that SG could look at piggybacking on contracts by stipulating that contractors must build a certain number of houses in the Highlands and Islands.
- 10. Agenda Item 10 – Close**
- 10.1 Vikki thanked everyone for their contributions and noted that the next meeting will be in November 2025, date TBC.

Meeting closed at 11:40.