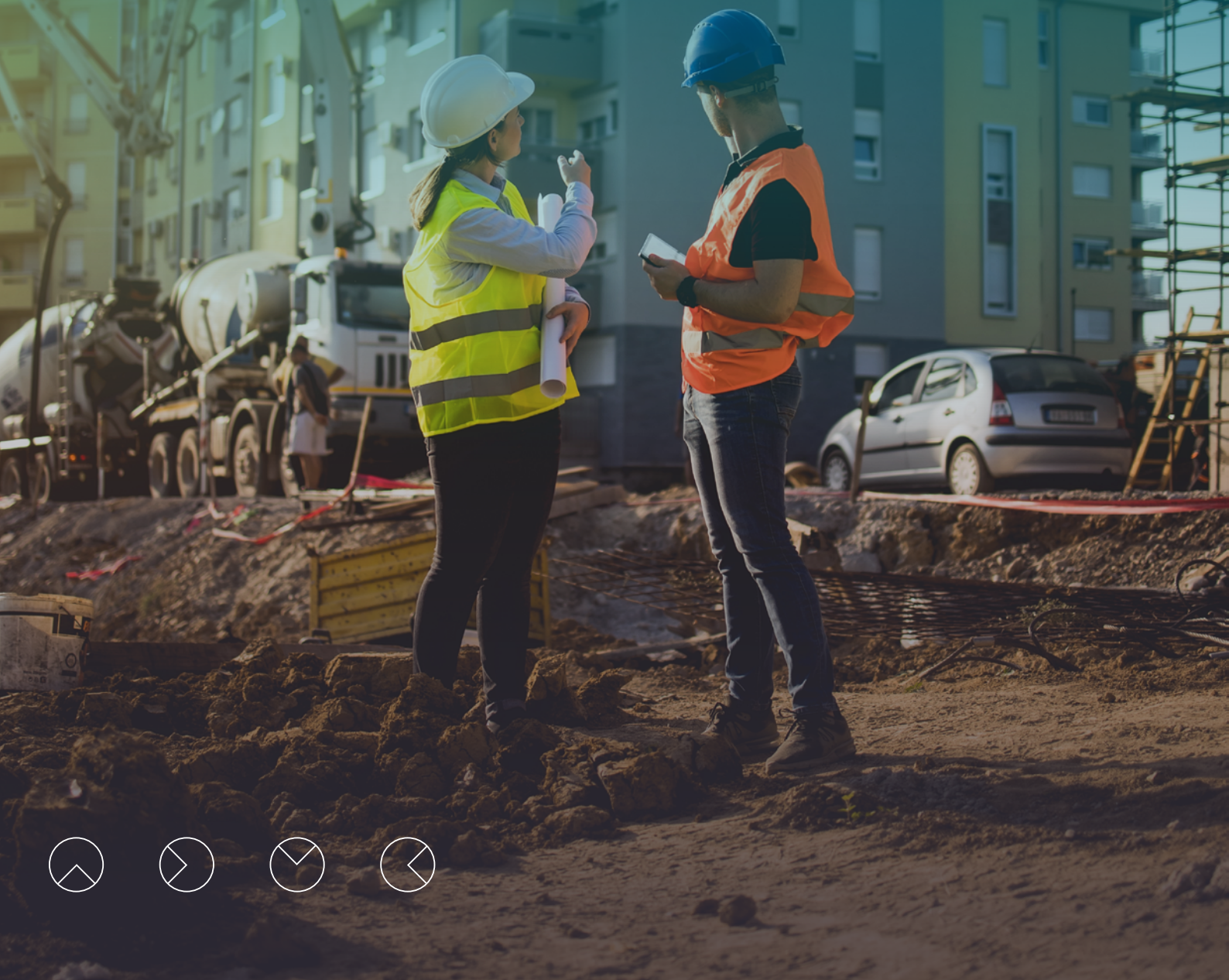


Just Transition

Built Environment and Construction



Delivering a Just Transition for the Built Environment and Construction Sector

A Discussion Paper

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Introduction

This discussion paper is intended to support engagement on a Just Transition Plan for the Built Environment and Construction sector. The draft Plan will be published in late 2023/early 2024. The targeted action plan and route map will outline the key steps to delivering a fair transition for the sector.

To reach net zero, our approach to the built environment will transform over the coming years. This will have consequences for both new and existing structures and require greater consideration of the lifecycle of buildings and building fabric performance. It will change the way we approach planning and design, the choices we make about construction materials and methods, operation (through power and heating etc), ongoing maintenance and the way we subsequently re-purpose buildings/ materials and the place they've occupied.

The built environment and construction sector currently accounts for around 40% of our emissions in Scotland.¹ The sector will underpin the delivery of our net zero future throughout Scotland, delivering our homes, schools, hospitals and workplaces. Construction accounted for £6.6 billion of Gross Value Added (GVA) in 2020, 8.1% of Scotland's total GVA. With a turnover of £17 billion (8.2% of Scotland's total) in 2020, the sector provided employment to 158,000 people in 2021. This will be the engine of our transition, delivering the necessary revolution in retrofit and buildings fit for the future.²

A focus on standards in the construction sector will be critical for emissions reductions, sustainability, climate resilience and, crucially, for attracting the skilled and diverse workforce required to deliver these.

The net zero transformation will impact on a number of areas such as skills, supply chains and our manufacturing sector. It will affect communities and businesses across Scotland.

The Built Environment and Construction Just Transition Plan will be about identifying the particular challenges and barriers faced by different sections of society to make the changes needed to reach net zero and ensuring that our approach responds to these adequately. We need your input to make sure we are considering all aspects of the transition.

The scale of change needed across our built environment is significant: the aim of this paper is to be concise and accessible rather than all encompassing. And we are also setting out to avoid duplication with other existing work. For example, decarbonising the way we heat buildings is critical for net zero and has considerable overlap with energy efficiency and retrofit activity. As heat demand will be covered in the Energy Strategy and Just Transition Plan, a draft of which was published in January, we have not included it within this paper. Given that a discussion of heat decarbonisation could sit in both of the just transition plans, we would welcome views on where it should sit in the final drafts. Access to affordable, sustainable, comfortable housing is another area of critical significance that is not directly dealt with here. We appreciate there are consumer issues around both heat demand and housing stock and it would be helpful to further understand through our engagement the extent to which the final drafts of our Just Transition Plans should consider these.

1 CITB Industry Insights & Analysis: [Buildings Skills for Net Zero in Scotland](#) (March, 2021)

2 Scottish Annual Business Statistics, 2020; Business Register and Employment Survey, 2021

Discussion points

Which Just Transition Plan should heat decarbonisation be addressed in?

State of the sector

Climate action offers an opportunity to reduce inequalities in our society. As the Just Transition Commission has recommended, we must identify the existing sector inequalities and seek to redress these.

Workforce

Women and ethnic minorities, in particular, are underrepresented in the sector. In 2021, total employment in the construction sector was 158,000, equivalent to 6 per cent of all jobs in Scotland. Of these 84.6% identified as men, 37.3% were over 50 years of age (compared with 33.3% for Scotland as a whole) and 1.6% of workers were from minority ethnic backgrounds (compared with 4.3% of minority ethnic workers in Scotland as a whole).

The Construction Data Dashboard, developed in partnership with the Construction Leadership Forum, has collated data in an attempt to more fully capture the workforce of industries in, or significantly influenced by, construction. This suggests the total number of those employed within the sector (in 2019) to be 332,250, equivalent to an estimated 12.5% of Scotland's workforce.³

Building Stock

The UK has the oldest housing stock in Europe.⁴ The most recent findings of the [Scottish House Condition Survey](#) from 2019 gives an overview of our housing stock. In relation to Energy Performance Certificates, which provide an indication of energy efficiency, 45% of Scottish homes were rated as EPC band C or better and half had an Energy Efficiency Rating of 67 or higher. Currently, 89% of homes in the social rented sector meet the requirements of the first Energy Efficiency Standard for Social Housing (EESH). Levels of insulation (both loft and wall) are also higher in the social sector compared to the private sector and 55% of homes in the private sector have wall insulation compared to 70% in the social sector. Older households (63.2%) have lower average EER ratings than families (67.7%) and other (adults without children) households (64.7%). The average energy efficiency profile of rural properties is lower than that for urban areas.

Our homes also need to be adapted for a changing climate. Currently, 280,000 homes are at risk of flooding in Scotland. There is less available data on susceptibility to high temperatures, although it is estimated that 20% of homes in the UK as a whole are already overheating and 30% of flats.⁵ This could be a particular problem for Scotland where 38% of the population live in flats. The diversity of building stock and the challenges this may present in delivering retrofit solutions will also need to be considered. For instance, households living in tenement properties tend to be smaller than the average household in Scotland, with a higher proportion of single-person households.

³ [Construction Data Dashboard: Industry Reach – Scottish Construction Industry Data Dashboard \(scottishconstructiondata.org\)](#)

⁴ [The Health Foundation, Proportion of properties built before 1919 by local authority. \(August 2021\) Proportion of properties built before 1919 by local authority - The Health Foundation; BRETrust, The Housing Stock of the United Kingdom \(Feb 2020\) The-Housing-Stock-of-the-United-Kingdom_Report_BRE-Trust.pdf \(bregroup.com\)](#)

⁵ [BEIS, Energy Follow Up Survey: Thermal Comfort, Damp and Ventilation, s.1 \(September, 2021\) Energy Follow Up Survey \(EFUS\) 2017 reports - GOV.UK \(www.gov.uk\)](#)

They also tend to have a higher proportion of households in the 25-34 age group compared to the general population in Scotland and a higher proportion of households in lower income groups.

Consumers

Recent increases in energy prices have made an already difficult situation more challenging. In 2019, 25% of Scottish households were already in fuel poverty. With the Energy Price Guarantee set at £2,500 and the Energy Bills Support Scheme ending, we forecast that there will be around 920,000 fuel poor households in Scotland – 37% of all households – from April to June 2023. We estimate that around 720,000 households are in extreme fuel poverty from April 2023. This equates to 29% of all households. There are also geographical differences to this: fuel poverty is higher in remote rural areas (43% of households) and remote small towns (34%).

Improving our building stock could help to tackle these inequalities and offers multiple benefits to residents. There is a clear evidencable link between health inequalities and cold and damp homes.⁶ More energy efficient homes not only have the potential to save consumers money on energy bills, but improve levels of comfort and indoor air quality, providing wider health and wellbeing benefits.

A fair distribution of costs and benefits

Delivering a just transition for the built environment and construction sector must be underpinned by a fair distribution of the costs and benefits.

Ensuring everyone is able to enjoy the benefits of warmer, dryer, homes will be a key indicator of progress.

We know that transforming our built environment presents particular challenges for different groups and we know that people have different abilities to pay for the changes that will be needed. For example:

- **Homeowners:** In the first instance, there is a need to improve customers' understanding of retrofit options and to remove barriers for consumers. This will include tackling deterrents, such as cosmetic issues caused by retrofit activity and identifying interventions that incentivise action.
- **Private Rented Sector:** We know that a higher proportion of private rented housing has a lower EPC rating compared to social housing and owner-occupied homes. Mechanisms need to encourage landlords to upgrade properties in a way that ensures costs are not unfairly passed onto tenants.
- **Non-Domestic Properties:** Supporting businesses in Scotland will require specific types of interventions that encourages conversion of estates in a way that does not jeopardise productivity or profitability.
- **Public Sector & Housing Associations:** The Scottish Government has a strong track record of providing support and investment to local authorities to tackle fuel poverty and improve energy efficiency, as part of a local area based approach. There is scope for local authorities to build upon these successful schemes and projects, exploring the potential of social housing as a pipeline to kickstart the market in retrofit.

6 House of Commons Library, Research Briefing: Health inequalities: Cold or damp homes (Feb 2023): [CBP-9696.pdf \(parliament.uk\)](#)

- **Communities:** We need to make sure communities are supported to carry out retrofit and build better places. This includes ensuring that traditionally ‘disengaged’ communities are able to access support. We also know that island communities may face particular challenges in accessing the workforce and materials required to make changes to their built environment.

A fair distribution of costs and benefits will be a key consideration throughout all of our just transition plans. As discussed in further detail in Section 7, we will develop a set of indicators to monitor our progress and understand the risks and opportunities of our actions.

Just Transition Plan Process – What are we doing and why?

Co-design is at the heart of just transition policy making.⁷ Throughout the summer and into early autumn of 2023, we want to hear from those who work in the construction industry, as well as particular groups who are most likely to be affected by changes to our buildings. By seeking these lived experiences, we can begin to build a picture of what a just transition for the built environment and construction sector looks like and what actions will be required to make this happen.

This paper is intended to be a springboard for such conversations. We want to encourage discussion, challenge and the development of effective solutions. We know that there are still gaps in our evidence, our approach and priorities. Our hope is that our engagement will surface, or confirm these, so that they can be built upon.

As part of the engagement process, we will also regularly take stock of those we have not yet heard from and shape our engagement accordingly to explore what the transition means for as many different groups from as many different areas as possible.

As we develop a draft plan for public consultation, we will use our engagement to test approaches, develop and refine content, develop actions and more fully understand potential effects. The draft plan will aim to sequence actions, and identify who is responsible for them (for example, national and local governments, businesses, workers, communities and individuals).

This discussion paper is not only intended for use by the Scottish Government in its engagement – we ask that interested partners use it to facilitate their own conversations and input to the Just Transition team via the following mailbox: BECJTP@gov.scot

⁷ The 2019 Climate Change Act includes Just Transition Principles – meaning climate action must be taken in a way which “develops and maintains consensus through engagement with workers, trade unions, communities, non-governmental organisations, representatives of the interests of business and industry.”

Summary of Our Targets in the Built Environment and Construction

The Built Environment and Construction Just Transition Plan will build on our existing work. For example, the [Construction Accord](#) established a shared vision for the construction industry and the public sector, including key principles such as fair work, diversity and inclusion. The concept of a Construction Accord was a recommendation of the Infrastructure Commission for Scotland and aligns with the priorities set by National Strategy for Economic Transformation (NSET) to maximise the opportunities of the next decade and achieve Scottish Government's vision of a wellbeing economy.

The Construction Accord identified the following priority work areas:

- Reforming construction procurement practices and supply chain management.
- Developing and publishing transparent forecast pipelines of construction Investment.
- Increasing the capacity, capability, and diversity of the workforce with a focus on future skills and industry attractiveness.

- Creating conditions for everyone in the sector to have a safe and rewarding career with high quality and fair work with reference to the Fair Work Convention Construction Report.
- Creating a sustainable quality culture and behaviours.
- Increasing the take up of digital technology with a focus on SMEs.
- Increase the take-up of modern methods of construction and optimise Scotland's place in that emerging market.
- Driving a just transition to being net zero in embodied carbon, industry operations and over asset life cycles.
- Maximising opportunities for shortened and resilient supply chains.
- Collating usable, high-quality and meaningful data about the Scottish construction sector.

Further context can be found in the annex to this paper. The additional value of the Built Environment and Construction Just Transition Plan will be to identify the interventions necessary to empower all parts of society to play their part in the net zero transition.

Where Are We Now and Where Do We Need To Get To?

Vision

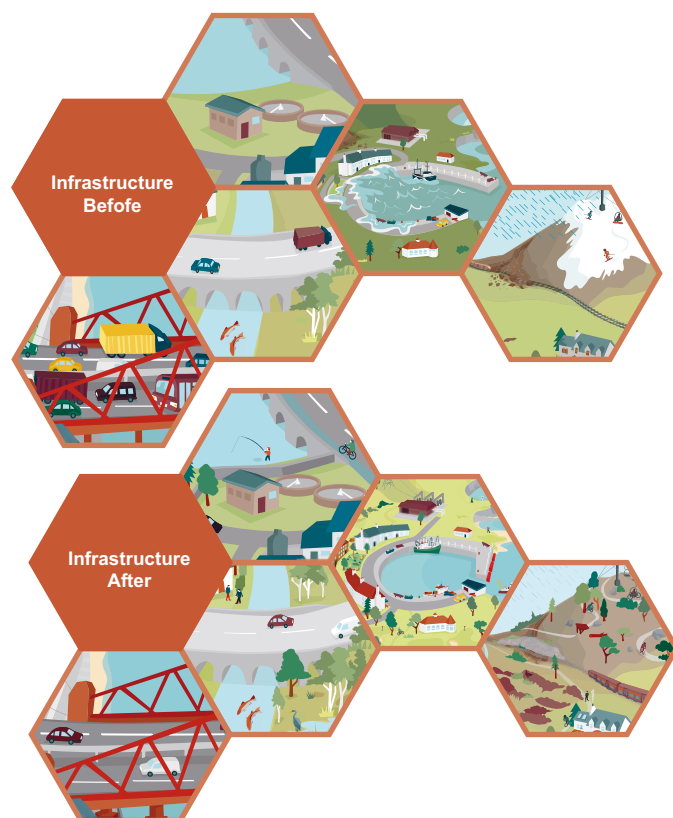
Some key features of the built environment **today**:

- New buildings are constructed to meet very good energy standards but can heavily rely on materials (e.g. concrete) that are incompatible with a net zero future. Many existing homes are poorly insulated with low levels of energy efficiency.
- A lack of available skilled workers and limited public understanding of the changes to buildings that are required curbs greater uptake of retrofit solutions to enhance the energy efficiency of building stock.
- There is strong innovation in the sector and academic expertise demonstrating proof of concept and providing some examples of best practice to expand upon.

Some of the key features of the built environment we might expect to see in **2040**:



Buildings and Homes: Considerable progress has been made to remove poor energy efficiency as a driver of fuel poverty. New buildings are constructed to very high energy efficiency standards and with improved measures to take into account warmer temperatures. The construction sector adheres to circular economy principles with minimal waste and widespread use of sustainable resources. Existing buildings have been suitably retrofitted for a changing climate.



- Lived Environment:** Buildings and infrastructure are now designed to deliver multiple co-benefits, maximising opportunity, investment, and positive outcomes. Scotland is seen as an international exemplar and Scottish businesses and innovations are driving the international just transition of the built environment and construction sector.

- Infrastructure:** Infrastructure across the country ensures communities are climate resilient, reducing the impact of extreme weather as well as smaller variances in climate conditions. To the largest extent possible, these interventions make use of natural resources, e.g. increased tree planting, installation of leaky dams and other natural solutions for flood management.

Illustrative journeys – what does this mean for you?

Our draft Plan needs to reflect what a just transition means for people in different circumstances and from different perspectives. For instance, what the transition means for people living in city centres versus those living in rural and remote parts of Scotland or those living in rented accommodation versus homeowners.

Over the summer and into the early autumn we want to hear from those within the construction industry, and those most likely to be impacted by the transition of our buildings, to develop more detailed and specific examples of what the transition means in practice.

Discussion points

- What are the key things you need to see from the transition?
- Are there particular issues that are not within this paper that need to be considered?

Early engagement to inform this paper

In March 2023, workshops were held with representatives from a range of stakeholder organisations to help shape the vision and aims for our Just Transition sector plans.

A number of cross-cutting themes were identified that are relevant to all sectors. These include: identifying the job opportunities and community benefits that can arise from the transition; ensuring plans are rooted in quality data to enable a holistic approach; and embedding evidence of protected groups in order to tackle existing inequalities.

Key themes identified for the built environment and construction sector specifically included:

- The need for a sustainable, skilled workforce capable of delivering the building and construction work required across Scotland, including accessible training opportunities for a diversity of people.
- Greater support for community-led building projects, enhancing community space and improving community usage of public buildings.
- Ensuring equity of access to energy efficient buildings that are designed and adequately maintained to meet all needs and support users' and residents' health and wellbeing.
- A planning system that embeds consideration of environment and biodiversity, ensuring our built environment is resilient to current and future climate conditions.

The engagement also identified some particular issues and challenges for the sector:

- Mainstreaming the required training and accreditation courses to deliver the transition.
- Overcoming practical issues that make retrofit unappealing to consumers e.g., inconvenience during works.
- Recognising key groups that could be disproportionately impacted by the transition and ensuring these are factored in the transition e.g., island communities, lower-income neighbourhoods.

Draft Just Transition Outcomes for the Built Environment and Construction Sector

Our approach to just transition planning is informed by the [National Just Transition Planning Framework](#). The framework sets out eight broad National Just Transition Outcomes. These have been distilled into the following four areas reflecting the main goals for just transition across all sectors:

Jobs, Skills and Economic Opportunities -

Scotland has a thriving net zero economy, enabling businesses to set up and grow sustainably. People are equipped with the skills and opportunities to access good, green jobs in a net zero economy. This economy delivers a liveable world for people and planet, ensuring a thriving, biodiverse environment and fair work and full lives for people. (National Just Transition Outcomes 2 & 4)

Communities and Places should be accessible places for people to grow, investing in their environment and economy. Communities should be empowered to reach net zero in a way that meets their needs, and builds on their unique local strengths, in an equitable fashion as part of a just transition. (National Just Transition Outcomes 1 & 7)

People and Equity - People are able to enjoy basic rights, freedoms and quality of life and have access to necessities such as heat, food, housing, employment, childcare and wider wellbeing. They are healthier, happier and treated with respect and have access to full, varied opportunities that add value to their lives. Opportunities, wealth and power are spread more equally; costs primarily fall to those who can bear them. (National Just Transition Outcomes 3 & 8)

Environment, Biodiversity and

Adaptation - Our environment must meet the needs of those living in and depending on it – this includes both our natural and built environment. Our spaces must be resilient to the impacts of climate change and restore our biodiversity. Spaces must provide those living or dependent on them with everything they need to live full and healthy lives as they support the transition. (National Just Transition Outcomes 5 & 6)

These outcomes reflect what Scottish Government has identified as the main areas that just transition activity should cover, including effective reskilling and new economic opportunities, as well as engaging communities and reflecting fairness and a person-centred approach in policy making.

The People and Equity theme reflects the Scottish Government’s climate justice focus. The Climate Change (Scotland) Act 2009 defines climate justice as “the importance of taking action to reduce global emissions of greenhouse gases and to adapt to the effects of climate change in ways which -

- a) support the people who are most affected by climate change but who have done the least to cause it and are the least equipped to adapt to its effects, and
- b) help to address inequality.”

A proposed set of **draft** outcomes that articulate the National Just Transition Planning Framework specifically for the built environment and construction sector are outlined below.

These draft outcomes were subject to discussion with stakeholders throughout our early engagement on this process.

Discussion points

- Do these specific outcomes look proportionate and relevant for the change required across our built environment and the construction sector?
- Do additional factors need to be included in the outcomes?
- Where can we draw more explicit links between related work and ambitions, such as on biodiversity, climate justice or adaptation?
- What opportunities and/or barriers exist within the sector that may support or prevent the delivery of these outcomes?

Draft Outcomes for the Built Environment and Construction Sector

Jobs, Skills and Economic Opportunities

1. There are successful, commercially sustainable and profitable construction businesses which are anchored in Scotland, forming robust local supply chains and contributing to Scotland's net zero economy.
2. Existing workforce: The building and construction sector provides high quality and fair work for all workers and looks after physical and mental health, safety and wellbeing. The workforce is diverse, has equality at its heart and drives productivity. Worker retention rates have improved as well as a concerted upskilling and reskilling of the existing workforce.
3. Future workforce: The building and construction sector is attractive to a diverse range of new entrants to the workforce. There is a strong pipeline of talent with capacity and competency fit for current and future industry needs, both regionally and nationally, including rural areas and island communities. All workers have access to attractive education, training, and apprenticeship opportunities within the sector.
4. Businesses in the construction sector are sufficiently guided to innovate and invest in people to grow local economic benefit, including rural and remote areas, and to play a strong role in strengthening supply chains and creating export opportunities.

Communities and Places

1. Communities are involved in the decisions and designs that impact their local areas, including public buildings and places. The construction sector is fully engaged with, and contributes value to, the communities in which it operates.
2. Communities are supported and empowered to direct and deliver their own projects (such as retrofit cooperatives). Increased demand for retrofitting has resulted in increased local employment and training options.
3. Community health and wellbeing is improved through increased biodiversity and climate resilience measures. New and pre-existing greenspaces are integral to developments within communities and the built environment is future-proofed for a changing climate.

People and Equity

1. Fuel poverty has been addressed. Those most in need have been supported to make energy efficiency and heat decarbonisation improvements to their homes. People have good access to the majority of their daily needs within a reasonable distance of their homes, promoting active travel, reducing transport costs and creating sustainable, resilient and healthy local environments.
2. Those who can afford to contribute towards improving the energy efficiency of their homes, properties owned, and non-domestic buildings, have access to the advice and support programmes they need to. Where individuals do not have agency over their residence (i.e., private tenants), they are not unfairly burdened with the costs of the changes required.

3. Households are incentivised to invest in the climate resilience of their property while ensuring the cost of insurance related to adaptation to climate impacts has not disproportionately burdened those unable to pay, or those at risk of being unable to pay.
4. Quality and safety of housing has improved with energy efficiency measures facilitating warmer & lower emissions homes for everyone in Scotland and leading to improved health outcomes for people.

Environment, Biodiversity and Adaptation

1. The construction sector uses natural resources sustainably, prioritising local supply chains where possible and is a key part of a circular economy. The sector is waste efficient, optimises materials, designs for re-use recovery and resilience, and designs for deconstruction and flexibility.
2. Private and public buildings and places (including care homes, schools, hospitals etc.) are resilient to climate impacts. For all new buildings and places (public, residential and commercial) and any maintenance or improvement of existing structures, adaptation considerations are embedded from the outset, and are designed to deliver multiple co-benefits, improving resilience.
3. Green sustainable solutions are standard in the construction sector, contributing to increased biodiversity, good quality green space, increased health and wellbeing and adaptation to climate impacts in lived environments.



Themes for Discussion

This section outlines a number of priority areas for making transformational progress in the sector:

- Procurement as a lever for the transition
- Building a skilled labour force
- An innovative, internationally competitive, industry
- Delivering consistent, sustainable standards
- Maximising the manufacturing base in Scotland

THEME 1: Procurement as a lever for the transition

Public sector procurement plays a substantial role in the construction industry in Scotland. In 2021/22 public sector procurement in construction was £3.4 billion (spending in the sector as a whole was circa £7 billion). This underlines the significant influence procurement has on the development of our infrastructure and its capacity to transform the way we design and deliver our buildings. Buying better has the potential to drive positive change throughout the sector and underpin a just transition of our built environment.

Spending Better for Better Outcomes

Providing sight of a clear pipeline of projects is one way of increasing sector confidence and encouraging investment in better practices.

For example, the Learning Estate Infrastructure Programme is an investment programme focused on delivering high quality, low carbon learning environments that support sustainable and inclusive economic growth.⁸ There are various routes to meeting the standards outlined in the programme and, crucially, long term surety of investment. A Pipeline Forecast Tool has also been developed by the Construction Leadership Forum to help give greater clarity about the pipeline of anticipated work across the public sector.⁹

The role of public sector clients also plays a vital role: they need capacity and the training to implement good procurement practices, to take a long term approach, invest in design and innovation, and have low carbon options de-risked so they are more inclined to commission them. For maximum effectiveness, this capacity should coincide with sufficient industrial capacity to meet demand for low carbon options, which links directly to themes 2, 3 and 5.

Examples from elsewhere show how procurement has driven sustainable practice and can inform how we could consider the most effective use of procurement to meet our outcomes. In France, new legislation came into force last year requiring all new public buildings to be made from at least 50% natural materials which has, in turn, driven domestic supply chains to meet increased demand.¹⁰ Additionally, Greater London Authority's (GLA) new London Plan, introduced in March 2021, requires all developments over a certain size to submit circular economy statements and whole life carbon assessments.

⁸ [Learning Estate Investment Programme - Scottish Futures Trust](#)

⁹ [Construction Leadership Forum, Pipeline Forecast Tool: Our Pipeline | Construction Leadership Forum \(constructionforum.scot\)](#)

¹⁰ [UKG Environmental and Audit Committee, Building to net zero: costing carbon in construction - Environmental Audit Committee \(parliament.uk\) p.16](#)

Discussion points

- How can we ensure that procurement practices are greener and place circular considerations at the front and centre?
- Is the Greater London Authority's example something that we can replicate through our own procurement practices, to ensure public buildings adhere to and are encouraged to adopt best practice?
- Are there elements of this that could go over and above what is already in the Construction Accord?

Relevant Just Transition Outcomes:

Jobs, Skills and Economic Opportunities

Communities and Place

People and Equity

Environment, Biodiversity and Adaptation

THEME 2: Building a skilled labour force

For a just transition to net zero, it will be vital for the sector to maintain a strong, skilled workforce with sufficient capacity and capability available to deliver anticipated increased demand. Against a backdrop of an existing skills and labour market shortages, the Construction Industry Training Board (CITB) has estimated that an additional 26,250 jobs will be needed in the construction sector by 2025.¹¹ Recruitment is expected to be one of the sector's greatest challenges over the next five years and the challenge is likely to continue beyond that timeframe. Meeting this scale of change will require a multi-faceted

approach aimed at both attracting new, diverse talent into the sector and upskilling and reskilling the existing workforce. We also need to ensure there is adequate access to a skilled workforce for consumers throughout Scotland, including remote rural areas and islands.

Upskilling existing workforce

The existing workforce will play a critical role in delivering future net zero ambitions as well as ensuring that the benefits of retrofit and sustainable building options are communicated to consumers to increase up-take. It is important, therefore, that they are given access to the right training, at the right time, to help maximise their skills and experience. To ensure a just transition, all workers need to be able to access what they need to upskill or reskill and be given every opportunity to play their part in the new opportunities that the transition will bring.

The sector is characterised by fragmented, complex supply chains with a reliance on sub-contractors. There were over 47,000 businesses operating in the construction sector in 2022, of which 99% were small enterprises of 49 employees or less. This underlines that Small and Medium Enterprises (SMEs) and micro businesses will be the key enablers to delivering the transition.

This backdrop can present obstacles for workers to access the training they need. Undertaking training often means time away from the site or office that is costly and often hits smaller organisations hardest, particularly given high levels of self-employment in the sector. Upskilling will also be required across the sector from site workers to those involved in the design, planning and management of buildings.

¹¹ CITB, [building skills net zero scotland summary.pdf](https://www.citb.co.uk/building-skills-net-zero-scotland-summary.pdf) (citb.co.uk)

We know that there is support available currently. A skills portal for the construction sector launched last year. The Built Environment Workforce Development Portal provides a breakdown of reskilling and upskilling courses by theme, occupation and region to allow users to search for training in emerging built environment approaches within Scotland. Built Environment - Smarter Transformation (BE-ST) is also currently running training programmes on retrofit skills to individuals currently out of work or facing redundancy. However, this offering needs to expand and become more accessible to all. We need to explore ways of making the upskilling and reskilling offerings attractive to workers, cost effective for employers and, importantly, that we consider supply chain issues to ensure that the pipeline of work which requires these new skills is visible and available at the right time and at the right scale.

Discussion points

- How do we develop accessible, affordable and attractive skills pathways for the existing workforce (at all levels, management and business-planning as well as technical/site based) that recognises the often short-term, project-based and temporary nature of their working lives?
- How do we support employers to enable them to release staff to undertake training opportunities?

- How can Scottish Government best use the levers available to it – either through policy development, regulation or influence – in order to ensure that sufficient training opportunities are available across the workforce to support upskilling and reskilling?
- What kind of support do education and skills providers need to make sure they can provide the required courses and qualifications?

Attracting new, diverse talent into the sector

We know that the construction sector consists predominantly of men, with low representation from those within recognised protected groups. We also know that the construction sector has, in the past, benefitted from the flow of workers from the European Union (EU).¹² To ensure a just transition of the sectors, and to help support the creation of a sufficient pipeline of workers, there will need to be a concerted effort to attract new, diverse talent into the system.

12 [Skills Development Scotland, Sectoral Skills Assessment: Construction \(November 2022\) PowerPoint Presentation \(skillsdevelopmentscotland.co.uk\)](https://www.skillsdevelopmentscotland.co.uk)

It is vital the industry operates in a way that makes it open, accessible and inviting in order to attract a diversity of workers.

We must also work with partners to explore ways in which we can increase the attractiveness of the sector for new entrants, and existing workers to remain. The Energy Skills Partnership is the Scottish college sector organisation that works with industry and government to ensure that the energy and construction sector's skills needs are met. The development of new and/or improved curricular offerings, linked clearly to business outcomes and requirements, will be key to ensure the attractiveness of the sector as a career choice. It will also be critical that these offerings are developed and delivered in a timeframe that ensures that labour supply is in line with labour demand. The development of a clear pathway, with a visible and transparent route from education through to employment, could play a key role in attracting the workforce of the future.

- What are the particular challenges faced by remote rural areas and island communities in relation to the workforce that will need to be addressed?

A Fair and Equitable Sector

Ensuring that the built environment and construction sectors are viewed as fair, equitable sectors in which to work will also be key to attracting new and retaining existing talent. Findings of the Fair Work Construction Inquiry Report cited wellbeing and working practices as longstanding issues in attracting and retaining a more diverse workforce.¹³ Research has also raised the need for a broader conceptualisation of the skills required for a greener construction future and the capacity of this to broaden the workforce.¹⁴ There is also a need for greener construction and businesses practices to be communicated to help dispel negative perceptions of the industry.¹⁵ Other research has highlighted the need for options to train and work flexibly to make jobs in the sector more attractive to a wider range of people.¹⁶

The National Construction Equity and Inclusion Plan (NCEIP) was developed by the Construction Leadership Forum in 2022.¹⁷ Its purpose is to drive towards greater inclusivity and equality in the sector in line with Scottish Government's National Strategy for Economic Transformation (NSET). It is important that all levers available are used in order to improve and dispel negative perceptions of working within the sector if we are to ensure that we can deliver a just transition.

Discussion points

- What barriers exist, if any, to industry and education/skills providers working together to develop new, targeted skills offerings?
- How can we ensure that skills/ education/reskilling offerings are attractive to a diverse range of workers of all ages?
- What timeframes do we need to adhere to ensure apprentices join the workforce at the right time in order to meet the anticipated scale of demand?

13 Fair Work Convention, Building Fair Work in the Construction Industry Fair Work Convention Construction Inquiry Report 2022, [Fair-Work-Construction-Inquiry-Report-2022.pdf \(fairworkconvention.scot\)](#) Recommendations p. 104

14 The Edge Foundation, Greening Construction: A complex challenge for jobs, skills and training (March 2022) [Greening Construction: A complex challenge for jobs, skills, and training | Edge Foundation](#)

15 CITB, Rethinking Recruitment: Construction a more industry (Jan 2022) [rethinking-recruitment-constructing-a-more-attractive-industry-january-2022.pdf \(citb.co.uk\)](#)

16 CITB, Skills, Training in the Construction Industry 2021, (2022) [citb-skills-and-training-report-2021.pdf](#)

17 Construction Leadership Forum, National Construction Equity and Inclusion Plan (Sep 2022) [National Construction Equity and Inclusion Plan \(webflow.com\)](#)

Discussion points

- Is there more we need to do to implement the recommendations of the Fair Work Inquiry within the timescales they propose?
- How do we effectively support the National Construction Equity and Inclusion Plan to deliver maximum impact?
- What options are there for the sectors to offer more flexible working conditions, therefore potentially making the sector more attractive to a wider range of people?

This applies to existing buildings as much as it does to those we are yet to build. There are approximately 2.5 million occupied dwellings in Scotland, and we expect the vast majority of them still to be occupied in 2045. This means both adapting existing buildings and constructing new ones in a responsible and sustainable way.

Again, it is the scale of what is required that presents opportunity. Nearly all of our built environment will require some form of retrofit activity. We need to capture the huge economic opportunities that the transition offers in a way that drives growth in Scotland.

Relevant Just Transition Outcomes:

Jobs, Skills and Economic Opportunities

People and Equity

THEME 3: An Innovative, internationally competitive, Industry

The Construction Accord highlights the need for action on Modern Methods of Construction and increased take up of digital technology in the sector. This requires joining up industries and institutions across Scotland to create the necessary conditions for an innovative sector to flourish, as well as optimising opportunities for export internationally. Industry groups will play an important role here. For instance, Built Environment Changemakers, a group of professionals from across the industry, are already working to enhance skills development across the sector to enhance sustainability and resilience in the workforce.

Supporting innovation to drive growth

It is imperative that we create the right conditions to enable innovative products, approaches and services to scale up. There are already examples of innovation and pioneering practice in the construction sector in Scotland. For example, the K-Briq developed by Kenoteq, which is the world's first brick to be made from 90% recycled materials.¹⁸ The development of this was also driven by the collaboration of academia and industry, including Built Environment – Smarter Transformation (BE-ST) which connects 80,000 businesses, organisations and individuals in the sector.

Developing and expanding networks between industry, academia and the third sector to stimulate innovation will be critical. This will require supporting existing networks, fostering further (and broader) collaborations across sectors and attracting suitable investment to enable growth.

18 [The K-Briq: The World's First 90% Recycled Brick - Case Study - BE-ST](#)

Promoting innovative planning and design can help to ensure that we are extracting the greatest potential from the resources that we have and the investment we make, helping to maximise outcomes across a wide range of issues.

Discussion points

- How do we ensure innovative technologies and construction methods developed in Scotland are able to scale up and get to market?
- How do we de-risk the use of innovative products, and change existing supply chains in favour of low carbon alternatives, recognising that products in the construction industry are typically expected to last for over fifty years?
- Consistent and timely investment will be a considerable factor here. How can we effectively crowd in private investment alongside public funding to provide the interventions in the market that we need?

Delivering climate ready and sustainable buildings and places

The construction sector needs to move to more sustainable methods that prioritise circular economy considerations at the design stage and throughout the life of buildings. This includes taking a ‘fabric first’ approach, in which the thermal performance of materials that make up a building (i.e. roofs, walls, floors, doors and windows) are maximised and attention is paid to the ways in which heat can escape, for example, through draughts and cold bridging.

Added to this, our climate is changing and our building stock will need to adapt to ensure we are able to live and work in comfort. Adaptation measures need to be embedded in the design of buildings and places to equip them to deal with wetter, warmer conditions. This should include opportunities for enhancing biodiversity.

In the UK, the construction sector has the largest material footprint of any sector. It is estimated the sector uses nearly 100Mt of materials in new infrastructure each year, 82% of which are virgin resources, predominantly concrete.¹⁹ Scottish Government has announced the intent to legislate for ‘a Scottish equivalent to Passivhaus’ for all new-build homes at the end of 2024. We have also committed to increasing the annual volume of Scottish timber going into construction from 2.09 million cubic metres (2020) to 2.8 million cubic metres in 2026/2027. The Climate Change Committee have advised that using wood for construction is the best use of limited biomass resources as long as it is underwritten by strong forestry management.²⁰ The commitments we have made signal the direction of travel to a more sustainable built environment that makes greater use of natural materials.

Examples from elsewhere could help to inform our approach building on these commitments. The Netherlands is cited as a leading example in developing a circular construction industry along three main pillars: i) using materials appropriately at every stage of construction, ii) using as many ‘infinite’ materials as possible, and iii) using finite sources efficiently.²¹

19 Green Alliance, [Circular Construction: Buildings for a greener UK economy](#) (March 2023), Drewniok, Michal P. and Azevedo, José M. Cruz and Dunant, Cyrille F. and Hawkins, Will (2022) [Mapping material use and modelling the embodied carbon in UK construction](#). University of Leeds. [Dataset] <https://doi.org/10.5518/1176>

20 Climate Change Committee, Biomass in a low-carbon economy, (Nov 18) [Biomass-in-a-low-carbon-economy-CCC-2018.pdf](#) (theccc.org.uk)

21 Green Alliance [Circular Construction: Buildings for a greener UK economy](#)

This ambition is underpinned with regulation and financial incentives. Research also suggests that circular construction business models can also increase profitability.²²

The way we build, as well as what we build with, also has the potential to deliver better results. For instance, modern methods of construction, which often involve offsite manufacturing can increase productivity and reduce costs.²³

We know that investing in more sustainable materials at the design phase leads to savings across the lifespan of buildings. Initial costs may be higher, although taking a longer term view of the operational lifecycle of buildings through smarter design and better maintenance of buildings improves performance. Stakeholders have highlighted the need for Building Information Modelling (BIM) to be used more comprehensively in the design of buildings as an enabling technology (e.g. asset tagging and digital twinning) to support better delivery of buildings along with appropriate maintenance programmes. Currently, there is little incentive to invest in such sophisticated modelling technology at the design stage.

There are other co-benefits that need to be communicated. Building better and retrofitting existing structures adequately will deliver warmer, dryer buildings and better indoor air quality, improving health and wellbeing outcomes for residents. Taking a collaborative and place-based approach to the design and planning of the external environment can also deliver significant co-benefits, allowing issues such as flooding, biodiversity, greenspace, active travel infrastructure, and energy generation to be considered and integrated.

Discussion points

- Given the scale of retrofit activity required, how can we ensure this activity focuses on more resource-efficient construction?
- How can we effectively communicate and drive uptake of the changes that will be needed within the sector?
- Are there financial mechanisms that could be explored to incentivise businesses to invest in net zero that unlocks wider benefit for local communities?

Relevant Just Transition Outcomes:

Jobs, Skills and Economic Opportunities

People and Equity

Environment, Biodiversity and Adaptation

THEME 4: Delivering consistent, sustainable standards

The Construction Accord already provides an outline of what is needed in the sector and the Construction Leadership Forum network has been established to work with industry stakeholders to drive transformational change across the sector. We need to deliver this in a way that enhances standards across the board and results in buildings that are both energy efficient and equipped to deal with a changing climate. The public sector stands to play a major part not only in decarbonising the built environment but in leading the way in enhancing standards for others to follow.

22 Arup, Realising the value from circular economy in real estate, [Realising the value from circular economy in real estate - Arup](#)
 23 Ranjit Bassit et al, Benefits of Modern Methods of Housing: Performance Data and Case Studies, [Benefits-of-MMC-in-housing-Performance-data-and-case-studies_final.pdf](#) (constructingexcellence.org.uk)

Enhancing Practice in Design and Planning

The promotion and enforcement of better design and implementation at a local level will be critical here. Better building choices need to be the easiest option. Existing frameworks and tools already provide the direction necessary to design better (e.g., [National Planning Framework \(NPF4\)](#), [Place Principle](#)), however there can be barriers to applying them. The Net Zero Energy and Transport Committee at the Scottish Parliament highlighted the additional resources and skills, particularly within local authorities, which are required to deal with the additional demands on the planning system to deliver on net-zero.²⁴

The delivery of better infrastructure locally has the potential to drive progress for a just transition in other areas. For example, ensuring developments have access to local services would help reduce car usage, enabling more sustainable lifestyles, reducing costs and improving safety. Good design processes can ensure that future investment in climate mitigation and adaptation provides additional benefits, taking a multifunctional approach to how we design spaces and utilise resources. Harnessing the power for design to support a just and equitable transition is an imperative.

Cost is another barrier. It is often cheaper to build a new building than it is to refurbish an existing one. However, we know that investment in good design processes up-front can provide significant savings over the lifetime of a building as well as ensuring that positive environmental, social and economic outcomes are prioritised.

24 Net Zero, Energy and Transport Committee, [The role of local government and its cross-sectoral partners in financing and delivering a net-zero Scotland](#), 1st Report, (Jan 2023)

25 Green Alliance p 32; UKG Environmental and Audit Committee, [Building to net zero: costing carbon in Construction: First Report of Session 2022-23](#), (May 2022) [Sustainability of the built environment \(parliament.uk\)](#)

26 Report prepared by AECOM for the Climate Change Committee, [Option for incorporating embodied and sequestered carbon into the building standards framework](#), (July 2019) [Options for incorporating embodied and sequestered carbon into the building](#)

Green Alliance suggested pre-demolition assessments should be conducted before planning consent is granted to replace existing buildings, to make a clear case for demolition in relation to carbon emissions and material use. The UK Parliament’s Environmental Audit Committee have also made several recommendations to the UK Government to incentivise retrofit over demolition.²⁵

Discussion points

- How do we ensure the implementation of better design processes and principles?
- What other levers can Scottish Government use to encourage retrofit and refurbishment over demolition and rebuild?

Accounting for Embodied Carbon

The UK Green Building Council reports that operational and embodied carbon from construction currently accounts for around 6% of the UK’s annual emissions. Adopting a whole life carbon approach, considering both embodied and operational carbon and associated impacts at every stage of a structure’s life will be key to a greener built environment. The Climate Change Committee and other industry stakeholders have highlighted the need to link any future review of building standards with an understanding of the effect that design and specification choices can have on the overall impact of new development.²⁶

As part of our response to Scotland’s Climate Assembly recommendations in 2021, we committed to investigate opportunities for whole life emission reporting, through building regulations or by other means. We have been working with Zero Waste Scotland and some of the UK’s leading experts on the topic, including recognition of the pilot work already underway through voluntary programmes such as the Net Zero Public Sector Buildings Standard.²⁷ Scottish Government’s [Sustainability in Construction Guidance](#) already recommends the standard as part of a wider suite of considerations to enhance the sustainability of publicly procured buildings.

Discussion points

- What are the key enablers to drive adoption of embodied carbon accounting more widely in the industry?
- Where can government most effectively play a role in supporting the uptake of carbon accounting?

Relevant Just Transition Outcomes:

Jobs, Skills and Economic Opportunities

Communities and Place

Environment, Biodiversity and Adaptation

THEME 5: Maximising the manufacturing base in Scotland

The scale of what is required here presents huge opportunities for the industrial base in Scotland. We are already taking action to revitalise manufacturing with the development of Michelin Dundee Innovation Park and the National Manufacturing Institute Scotland signalling our intent around industry-led delivery of net zero. The transition of our buildings offers the opportunity for this to expand even further; identifying the correct interventions and getting the sequencing of these right to establish markets and drive demand will be key. For instance, a recent study commissioned by the Centre for Local Economic Strategies explores the potential of registered social landlords to develop the retrofit supply chain in the south of Scotland.²⁸

This will also be about anticipating future demand and ensuring there is an adequate industrial base domestically to meet this. For example, the extent of retrofitting required to bring our built environment up to standard is likely to generate substantial demand for insulation materials. The Scottish National Investment Bank has invested in IndiNature, a company making natural fibre insulation to help them scale up production.²⁹ There is opportunity for further growth in this industry, particularly in the development of insulation products made from natural resources and recycled waste materials.

²⁷ [standards framework \(AECOM\) - Climate Change Committee \(theccc.org.uk\)](#)

²⁷ [Net Zero Public Sector Buildings Standard - Scottish Futures Trust](#)

²⁸ [Centre for Local Economic Strategies, A roadmap to decarbonisation: Retrofit of social housing stock in the South of Scotland, \(Nov 2022\) \[Report Title\] \(cles.org.uk\)](#)

²⁹ [IndiNature | Scottish National Investment Bank \(thebank.scot\)](#)

Sequenced Supply Chains

We will need to make sure the necessary skills and materials come to market at the right time, making use of domestic resources and localised supply chains as much as possible. Supply chain mapping exercises have been carried out in the sector and it will be necessary to collate this existing evidence to avoid duplication and effectively identify opportunities.

There are existing models we could potentially build upon. Scottish Futures Trust support a network of five local hubs. Operating across five geographical areas, the public sector bodies in each of the five areas have come together and appointed a private sector development partner to form a joint venture company, known as a hubCo to deliver new community facilities.³⁰

Discussion points

- Where does Scotland have truly internationally significant clusters, innovation assets or businesses?
- What mechanisms could be used to stimulate additional investment in supply chains?
- How do we make sure the correct products and services come to market at right time and to correct scale to create a pipeline of demand for the transition e.g., insulation material to meet anticipated demand?
- What opportunities are there to shorten supply chains and enhance resilience with a focus on using locally sourced, natural and sustainable materials?
- How can Scottish Government ensure the behavioural insights provided by public participation can effectively inform the sequencing of interventions?

Relevant Just Transition Outcomes:

Jobs, Skills and Economic Opportunities

Monitoring and Evaluation

Delivering a just transition for the built environment and construction sector demands that we are ambitious in our aims and actions. Being clear about what we want to achieve and holding ourselves accountable is essential if we are to stay on track. It is therefore important that we establish a framework to monitor and evaluate our progress in a way that is proportionate, feasible and effective.

A core element of our monitoring and evaluation approach is to identify and develop appropriate quantitative indicators that we can use to track our progress towards our sectoral and national outcomes. These indicators will be tracked alongside tailored evaluations of flagship policies and continuous monitoring of key delivery metrics. Measuring the fairness of the transition to a net zero society needs to capture a wide range of dimensions.

We are currently commissioning research to provide further evidence to establish a robust baseline assessment of the current 'state of the sector'. The project will document existing inequalities within the sector based on the available evidence, and identify key cross-cutting, systemic factors contributing to these inequalities. It will also provide an assessment of the reliability, robustness and completeness of the data available in the sector and highlight any key gaps in our knowledge. The outputs from this research will provide an important baseline from which to track progress in addressing inequalities.

Questions

- Are there existing data sources that can help us track delivery of our just transition outcomes?
- How can we make sure that our approach to monitoring and evaluation is inclusive and participatory?
- What is the right balance between comprehensiveness and usefulness?



Annex: Policy Context

Built Environment and Construction Just Transition Plan- Policy context document'

A range of policy interventions are already being implemented across the buildings and construction sector to reduce emissions and support a just transition. This document gives an overview of key policies currently being implemented with regard to:

A. energy efficiency of our buildings;

B. the construction sector

ENERGY EFFICIENCY

We have committed to investing at least £1.8 billion over the course of this Parliament towards heat and energy efficiency measures and to support those least able to pay.

The Heat in Buildings Strategy outlines a range of delivery schemes supporting heat decarbonisation and energy efficiency.

Domestic support:

- **Home Energy Scotland Advice Service** – provides free independent advice on energy efficiency and low/zero emission heating.

In 2022 - 2023 we expanded the Home Energy Scotland (HES) advice service by 20%. With this expanded capacity, HES supported 138,000 households in 2022-23 - an increase of around 21,500 on 2021-22.

Of these, 71,000 households supported were vulnerable to fuel poverty, which is an increase of 79% on the previous year. HES also provided vital signposting to crisis funding to around 11,000 people in need and have further developed partnership referrals with organisations such as Macmillan Cancer Support.

- **Home Energy Scotland Grant and Loan** – Households can now access Home Energy Scotland grants of up to £7,500 for heat pumps and £7,500 at a grant rate of 75% for energy efficiency measures.

- This grant offer includes a rural uplift of £1,500 to both the heat pump and energy efficiency grants, increasing grants in these areas to a maximum of £9,000.
- **Warmer Homes Scotland** – Is the Scottish Government’s national fuel poverty scheme, designed to make homes warmer for those living in, or at risk of fuel poverty through installing insulation and heating measures in individual properties.
- More than £220 million has been invested through the scheme since its launch in September 2015 helping over 33,000 households throughout Scotland.

We are relaunching the Warmer Homes Scotland scheme from October with more funding and more help for households to install a climate-friendly heating system and take a whole-house retrofit approach.

- **Area Based Schemes (ABS)** – Provide energy efficiency improvements to households in or at risk of fuel poverty living in own or rented property. This is delivered via local authorities through the £64m local authority-led Area Based Schemes.

Business Support:

- **Business Energy Scotland** – In 2022-23 we launched our refreshed non-domestic advice and support offering with the new Business Energy Scotland service.

Provides free advice & support to Scottish SMEs to help improve energy efficiency and decarbonise heating in their premises.

Business Energy Scotland supported over 9,000 enquiries from SMEs ins 2022-23, providing in-depth advice to over 1000 SMEs, and identifying cost savings of over £10M with implemented projects saving over 13,000 tonnes of lifetime Carbon emissions.

- **SME Loan & Cashback Scheme** – Provides interest free loans from £1000 up to £100,000 and cashback grants of up to £30,000 for the implementation of energy efficiency and renewable energy technologies. In total a Scottish based SME can access a maximum of £130,000 through the scheme.
- **Communities & Public sector:**
- **CARES** (Community & Renewable Energy scheme) – Advice and funding support for community groups and other relevant groups seeking to explore renewable energy options. Delivered by local energy savings trust.
- **Public Sector Non-Domestic Energy Efficiency Framework** -Energy performance contract framework designed for larger public sector projects. Improvement measures financed through savings.

Social Housing:

- Investing £200m into Social Housing Net Zero Heat Fund
- £200m Scottish Green Public Sector Estate Scheme, supporting leadership for energy efficiency and heat decarbonisation right across the public sector.

Supply chain:

- The **Sustainable Energy Supply Chain programme** is funded by the Scottish Government and administered by Energy Saving Trust.
- Since 2013 it has provided support and assistance for businesses in Scotland to help them participate fully and effectively in the supply chain for energy efficiency and micro-generation measures and installations.

CONSTRUCTION

This section lays out the key policy commitments we are taking forwards for the construction sector that contribute to the decarbonisation of our current and future building stock.

Construction Leadership Forum

- The Scottish Construction Leadership Forum is the main forum for Scottish Government and Industry interaction.
- The CLF Recovery Plan delivered the [Construction Pipeline Forecast Tool](#) in July 2021 developed by Scottish Futures Trust. The tool gives visibility to more than 1,700 future infrastructure projects that have been submitted by just under 50 Scottish public bodies, with a total value of £12.2 billion. Over 900 businesses have now registered for updates.
- An industry [data dashboard](#) focused on Scotland's construction industry launched in May 2022, enabling open access to data to help all industry stakeholders make better-informed decisions.
- Built Environment Workforce Development Portal ([skills directory](#)) launched in May 2022 providing detailed guide to courses and training for individuals and companies focused on Scotland's construction industry.

The Construction Accord

- The Accord is a shared vision for the industry and the public sector including key principles such as fair work, diversity and inclusion. It is a set of values and principal aims for the future development and transformation of the construction industry as an integral and vibrant part of the Scottish economy.
- Developed by the Construction Leadership Forum, it seeks to improve outcomes for the businesses and workforce which make up the construction and associated industries and from the industry for its clients, the economy, wider society and the environment.

Construction Accord Outcomes:

For Businesses & the Economy:

- We have successful, commercially sustainable and profitable construction and related businesses which are anchored in Scotland, forming local supply chains.
- Our construction sector businesses are incentivised to innovate and invest in people to grow local economic benefit and create export opportunities.
- We are a productive industry contributing to inclusive economic and green growth.
- We are a digitally enabled industry, confident and skilled in using modern methods of construction.

For Current & Future Workforce:

- We provide high quality and fair work for everybody working in the sector and look after their physical and mental health, safety and wellbeing.
- We have a diverse workforce and pipeline of talent with capacity and competency fit for current and future industry needs.
- Our sector is attractive to a diverse range of new entrants to the workforce.

For Customers & Users:

- We maintain high standards of design to enhance Scotland's places, delivering works, products and services that are regulatory and specification compliant, and which maximise whole life-cycle value for money.
- We have a sustainable quality culture fit for a safety-critical industry.

For the Environment & Communities:

- We are on a just transition pathway to being net zero in embodied carbon, industry operations and over the life cycles of the assets we create, enhance, repair, and manage.
- We use natural resources sustainably and are a key part of a circular economy.
- We are fully engaged with and contribute value to the communities in which we operate

National Construction Equity and Inclusion Plan (NCEIP)

- The National Construction Equity and Inclusion Plan (NCEIP) was developed by the Construction Leadership Forum in 2022 and published on 27 September 2022. Its purpose is to drive towards greater inclusivity and equality in the sector in line with Scottish Government's National Strategy for Economic Transformation (NSET).
- Culture was amongst a number of key themes identified from the research, workshops, and business discussions as important to the construction sector in Scotland.
- The key areas of focus included: Culture; Education and Training; Recruitment; Retention; Promotion; Employee Engagement/Communications; Data and Evidence; Corporate Strategy; Leadership; Shareholders/Stakeholders; and Sustainability.
- The NCEIP identifies six specific strategic objectives, each with specific, measurable, achievable actions and associated timescales. They are
 - Leadership Culture and Image
 - Compliance and Knowledge Transfer
 - Data and Evidence
 - Education and Training
 - Recruitment, Retention and Promotion
 - Employee Engagement and Communication
- Implementation of the NCEIP will now be taken up by the members and sub-groups of the Construction Leadership Forum as part of the industry transformation Plan.



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