



FAIR WORK
CONVENTION



Building Fair Work in the Construction Industry

Fair Work Convention Construction
Inquiry Report 2022

Executive Summary

Foreword

This Inquiry is rooted in our acknowledgement of the importance of the construction industry to the Scottish economy and Scottish society and our concerns about the nature of some construction employment and work in Scotland. The industry is responsible for building our homes, schools, hospitals and workplaces and the quality of the built environment impacts on us all. It creates highly skilled and labour intensive jobs in the private and public sectors, employing 130,000 workers in 2020 and generating 11% of Scotland's economic outputs in 2019.



The core issue under investigation in this Inquiry is the experience of fair work by the construction workforce and how fair work practice can be improved, with an emphasis on the role of public sector procurement.

Fair work is fundamental to the future growth of the construction industry and its ability to meet the challenges of automation and climate change. Recent research has shown that construction work can be insecure, lacking the contractual and income security and stability that workers need. We are aware that direct employment is declining in the industry and that the use of subcontracting, agencies and umbrella companies creates uncertainties in the supply chain that impact on how construction work is overseen as well as on health and safety and the provision of training and upskilling. Effective oversight of construction works requires a workforce with an effective voice, yet the use of collective agreements in the industry is less robust than in the past, with negative consequences for worker voice, especially for those on non-standard contracts. There is also evidence of concerns over how problems and disputes are resolved. The industry has an ageing workforce with implications for skill supply. We know also that more needs to be done to improve diversity in the industry in order to combat the challenges of skill shortages particularly in the context of the transition to a net zero carbon economy and the likely impact of automation in construction.

Addressing fair work in construction now is crucial to how the industry develops to face future challenges. Skill shortages are both a challenge and an opportunity to bring new talent into the industry. The need to transition to a net zero carbon economy and undertake large scale retrofitting on existing building stock raises significant new challenges around skills and investment but also offers an opportunity to transform ways of working and offer high quality work to a greater range of people across Scotland and beyond. Existing and well-developed structures of collective bargaining in the industry work well in addressing standards, skills formation and terms and conditions and provide key learning on how the multiple stakeholders in the industry can engage collectively to address the needs of all stakeholder groups.

Public sector procurement has the potential to play a key role in shaping the industry and is responsible for around 50% of construction spend in Scotland – hence our focus on public procurement practice. We have investigated and made specific

recommendations regarding the role and potential of public procurement in driving better fair work practice in construction.

The construction industry recognises its challenges and opportunities and has developed some strategic responses. We note in particular the establishment of the Construction Leadership Forum and the inclusion of aspects of fair work in its action plan alongside its social partnership approach and the engagement of employers, unions and policymakers to address the particular challenges of the pandemic. Structures of this kind have huge potential beyond the immediacy of the pandemic. At a UK level, the Construction Leadership Council Report into Future Skills calls for higher levels of direct employment, recognising the relationship between providing fair work and realising the future ambitions of the industry.

Conducting this Inquiry was a significant task undertaken over two years by the Construction Industry Inquiry Group (CIIG), made up of a range of stakeholders from construction businesses, trade bodies, trade unions, local authorities and the Fair Work Convention. The CIIG gave generously of their time, expertise, insight and ideas. They were individually and collectively constructive in their engagement with a range of difficult issues, and all members have been a huge support to the understanding of the Fair Work Convention and the Inquiry Co-Chairs in particular. We are immensely grateful for their participation and contribution.

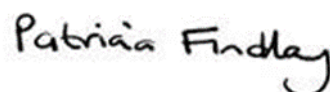
This Report calls for action from The Scottish Government and other public agencies in procurement, skills and investment strategies to align their activities to the provision of fair work in construction. A crucial part of this is clearly signalling commitment to social dialogue and constructive engagement across key stakeholders, including through the expansion of industry agreements. Government in particular has a crucial role in creating the conditions and structures for better collaborative working in construction.

The construction industry has an important role to play in our future economy and society, particularly in delivering a net zero carbon future. Wider adoption of fair work can underpin a high quality, high value, responsive construction industry, adept at facing known challenges such as modernisation and automation and other as yet unknown challenges. Our collective priority is to ensure that the construction workforce benefits from these and other developments and that fair work becomes a more common experience for employees and workers. The Fair Work Convention and its Construction Industry Inquiry Group urges all relevant stakeholders to adopt our recommendations.



Mary Alexander

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Executive Summary

The Fair Work Convention

The Fair Work Convention brings together employers, trade unions and academic expertise to promote and advocate for fair work across the economy and to advise Scottish Ministers on fair work. The Convention's vision is that Scotland will be a leading Fair Work Nation by 2025 where fair work drives success, wellbeing and prosperity for individuals, businesses and society.

The Construction Industry Inquiry Group (CIIG)

The Inquiry was undertaken by the Construction Industry Inquiry Group (CIIG) made up of a range of stakeholders from construction businesses, trade bodies, trade unions, local authorities and the Fair Work Convention to look at the key challenges to delivering fair work in the construction industry in Scotland.

The Inquiry focused on the experience of fair work by the workforce and how fair work practices can be improved.

Why Construction?

The construction industry is important to the Scottish economy providing 5.1% of the jobs in Scotland.¹ These jobs exist in every community and construction plays a fundamental role in communities and society by building schools, homes, hospitals, offices and other vital infrastructure, supporting every sector of the economy.

The construction industry in Scotland is worth around £7 billion. The public sector is a significant customer with an annual spend of more than £4 billion on building or civil engineering works.² While emissions from the built environment and construction currently account for around 40% of total national emissions, construction is also at the forefront of the transition to a net zero carbon economy.³ In the coming years significant investment to decarbonise the built environment will be needed and the construction workforce will need to expand to support retrofit activities. This is a key moment to drive transformational change in the construction industry, supporting fair work and creating positive outcomes for employers and workers, and delivering Scotland's wider social and economic ambitions.

¹ ONS (2020), Business Register and Employment Survey (BRES)

² Scottish Government (2021), [Public sector procurement: Construction procurement](#)

³ CITB (2021), [Building Skills for Net Zero in Scotland](#)

Fair Work in Construction – The Current Picture

Compared to other industries, construction is heavily labour-intensive and characterised by long and complex supply chains. Large contractors operate a hollowed-out model, employing relatively small numbers of people directly and instead act as procurement or contract managers and rely on a range of sub-contractors. Sub-contractors are usually smaller, often specialist, businesses who play a key role in employment and training, providing apprenticeships and routes into the industry.

Agency workers and workers employed by umbrella companies provide additional labour to supplement a declining directly employed workforce. These workers support construction companies to manage spikes in work, late changes in contract scope, weather slippages, and holiday and sickness cover. Agency workers are an important part of the labour force and the quality of agency employers is increasingly relevant to the overall fair work picture. Umbrella companies are associated with agency work but represent a further lengthening of the employment relationship and deploy a business model that can present specific problems for workers.

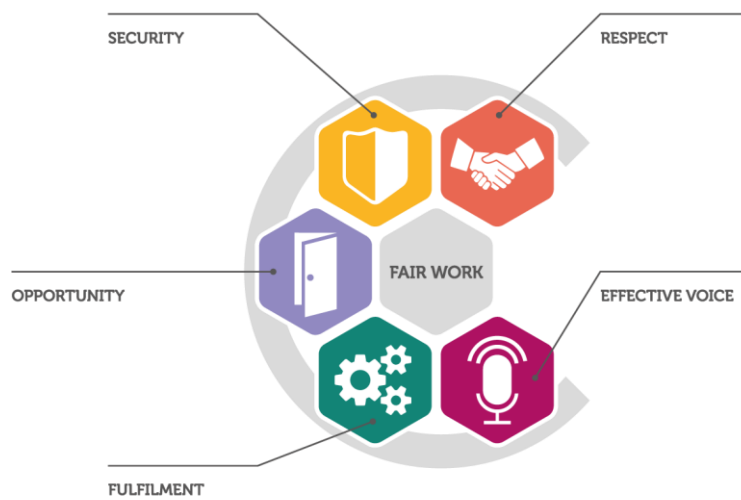
Construction has an ageing workforce, with an estimated 50,000 workers likely to retire in the next 10 years.⁴ It is heavily male-dominated, with work that is often project-based, temporary and seasonal. Perceptions of the industry can be negative but there are many examples of good practice of fair work in construction. It is also an industry that must attract large numbers of workers in the coming years and CITB has estimated that an extra 26,250 new workers are needed by 2025.⁵

The Inquiry recognises that there is a range of practice in the industry and that many employers have already taken steps to embed fair work in their businesses. This Inquiry aims to identify areas where fair work can be strengthened, along with positive practice that can be built upon. Ultimately the purpose of the Inquiry is to identify practical and tangible actions that can be taken to support positive outcomes for the workforce that will in turn impact on the performance of the industry and the quality of what it delivers.

Improving fair work in all parts of the construction supply chain and supporting recruitment, retraining and upskilling will be key to delivering positive outcomes for workers and employers in construction and meeting the challenges of coming years.

⁴ Skills Development Scotland (2020), [Climate Emergency Skills Action Plan 2020-2025: Key Issues and Priority Actions](#)

⁵ CITB (2021), [Building Skills for Net Zero in Scotland](#)



Security

Security at work in the construction industry in Scotland is limited for a significant minority of workers by insecure contracts, lower pay and income variation alongside concerns over future employability.⁶ The experience of agency workers, umbrella company workers or the self-employed is commonly worse than for those in direct employment but there is also some evidence of deteriorating experiences for directly employed workers.⁷

Self-employment makes up 23.5% of the construction workforce⁸ and can at times be 'bogus' to lower tax bills and/or to reduce costs for the employer by depriving the worker of basic employment rights. Construction workers can also be employed by umbrella companies or payroll companies which can be associated with greater insecurity and low wages with more likelihood of variable income due to deductions and late payments. Umbrella company workers can struggle to access basic employment rights like holiday pay and sick pay, despite having employee status. While no specific data is available on the prevalence of umbrella companies, the Inquiry noted that many construction businesses have policies in place to avoid their use, recognising the specific harms that they can cause workers.

More positively, construction workers enjoy higher than average rates of pay. Median pay for full-time employees in the construction industry is £29,055, compared to £26,007 across all sectors.⁹ Despite this, there is widespread concern from both workers and unions in the industry about real wage decline over time. This may in part arise from greater exposure to other expenses/costs (travel, accommodation and subsistence) compared to workers in other sectors.¹⁰ Wages for younger workers can often be low, with average apprenticeship wages in construction below the real living wage.¹¹

⁶ SCER & FAI (2020), Facing the future constructively? The experience of work in the construction industry in Scotland

⁷ SCER & FAI (2020), Facing the future constructively? The experience of work in the construction industry in Scotland

⁸ ONS (2021), Annual Population Survey Jan-Dec 2020

⁹ ONS (2021), [Annual survey of hours and earnings: 2021](#)

¹⁰ SCER & FAI (2020), Facing the future constructively? The experience of work in the construction industry in Scotland

¹¹ BEIS (2020), [Apprenticeship Pay Survey 2018/19: Scotland report](#)



Opportunity

Construction is a male-dominated industry. In 2020, 85% of the construction workforce were men and 15% were women.¹² The gender split in construction has remained largely unchanged since 2009. People from a minority ethnic background make up only 1.6% of the workforce in construction compared to 4.3% for the workforce as a whole.¹³ 5.9% of workers in the construction industry were non-UK nationals in 2020, compared with 9.2% for Scotland as a whole.¹⁴ The proportion of workers with a disability in the construction sector (10.5%) is less than the proportion across all sectors (13.4%).¹⁵ 8.1% of workers in construction worked part-time, compared with 26.2% of all workers in Scotland.¹⁶ There is a long hours culture in construction with limited access to flexible working.

There are complex questions when considering how to improve equality within the industry with both perceptions of the industry and genuine constraints around the nature of work and how it is organised acting as barriers to achieving a more diverse workforce. Yet, construction is in need of workers and increasing diversity of the workforce and supporting effective pathways into, and through, the industry will be essential in the next ten years.



Fulfilment

Opportunities to train can be limited within construction. Only 52% of construction employers reported offering training in the previous 12 months¹⁷ and fewer than 20% of construction workers reported being offered opportunities to train.¹⁸ Added to this, 23.5% of the workforce are self-employed and many more work through agency or umbrella contracts.¹⁹ Workers on such contracts will need to source and pay for their own training and face a loss of income while attending courses, potentially impacting the uptake of training opportunities. Collective agreements can be used to support training in the sector. For example, the National Agreement for the Engineering Construction Industry (NAECI) places requirements on employers to ensure employees' skills are updated.

¹² ONS (2021), Annual Population Survey, Jan-Dec 2020

¹³ ONS (2021), Annual Population Survey, Jan-Dec 2020

¹⁴ ONS (2021), Annual Population Survey, Jan-Dec 2020

¹⁵ ONS (2021), Annual Population Survey, Jan-Dec 2020

¹⁶ ONS (2021), Annual Population Survey, Jan-Dec 2020

¹⁷ Scottish Government (2020), Employers Perceptions Survey, 2019

¹⁸ ONS (2020), Annual Population Survey, 2019

¹⁹ ONS (2021), Annual Population Survey Jan-Dec 2020

Opportunities to advance within careers and move into senior roles often appear limited to workers within the construction industry.²⁰ With an increase in graduate entry to senior roles in construction pathways for advancement for the existing workforce may feel more limited, even where those opportunities exist.

The workforce implications of the transition to net zero mean that effective training, upskilling and continued professional development is essential and the workers in all parts of the industry will need to be supported effectively to access training and reskilling opportunities.



Respect

While a common perception of the construction industry is that work is relatively strenuous and dangerous, health and safety on sites is an area where significant progress has been made in recent years. The rate of self-reported illness caused or made worse by work (3,520 per 100,000 workers) is similar to the average across all industries (3,400 per 100,000 workers) and has been relatively stable since 2004 (when data collection began). The leading type of self-reported illness in the construction industry in 2019/20 was musculoskeletal disorders, accounting for 47% of all working days lost due to work-related illness. Despite this in 2019/20, there were 40 fatal injuries to workers in the construction industry in Great Britain. Over the past five years, on average 47% of deaths were due to falls from height, suggesting that more progress still needs to be made.²¹

While respect for physical wellbeing has improved, there is evidence of verbal abuse, bullying and harassment in the industry with some workers reporting that their employers did not deal with this issue effectively.²² Trade unions highlighted that workers were often fearful of raising bullying and harassment concerns. There is also a growing awareness of mental ill-health in the industry much of which is associated with workplace cultures and the absence of aspects of fair work. A recent report by CITB found that the risk of suicide among some site-based male construction workers was three times the national average and among skilled finishing trades, such as painters and plasterers, was twice the national average. The report also found that key triggers of poor mental health in construction were:

- working away from home and frequent travelling.
- occupational stressors.
- heavy workloads and long working hours.
- job insecurity.²³

Improving fair work outcomes within the industry should therefore support more positive mental health outcomes for workers in construction.

²⁰ SCER & FAI (2020), Facing the future constructively? The experience of work in the construction industry in Scotland

²¹ HSE (2021), [Construction statistics in Great Britain: 2021](#)

²² SCER & FAI (2020), Facing the future constructively? The experience of work in the construction industry in Scotland

²³ CITB (2021), [Mental Health and Construction: A Coordinated Approach](#)



Effective Voice

The Labour Force Survey estimates that unions are present in around a third of workplaces and that 17.6% of construction employees in Scotland are currently trade union members. Construction has a range of sectoral agreements that are used to set terms and conditions and to support standards. Collective bargaining agreements in construction are estimated by the Labour Research Department to cover around 85,000 workers or around 62% of the employed workforce.²⁴

Many of the agreements have existed for decades and were born out of a need to prevent walk-offs, to provide certainty around costs for large-scale projects and to manage competition for labour due to wage differentials between sites. They continue to renew themselves, being renegotiated on an agreed schedule to meet the changing needs to the industry. While the biggest of the agreements – the Construction Industry Joint Council (CIJC) – appears to be in decline,²⁵ the structure and potential for collaborative working remains and, if effectively supported, could play a key role in supporting the industry to meet future challenges and fully embed fair work.

The legacy of blacklisting in the industry continues to impact relationships. Construction workers report a reluctance to be seen to consult with unions for fear of blacklisting and the loss of future employment. Progress has been made on the confidence of the workforce to raise health and safety issues but there appears to be a hesitancy to raise other issues on sites such as bullying and harassment.

Dealing with the legacy of blacklisting, improving confidence among the workforce and improving relations between unions and employers is a requirement to build better fair work outcomes in the construction industry.

²⁴ Labour Research Department (2021), [Scotland's Collective Bargaining 2021](#)

²⁵ Labour Research Department (2021), [Scotland's Collective Bargaining 2021](#)



Creating Change: Procurement

How public procurement is undertaken has the potential to impact the nature and the shape of the industry by incentivising or mandating fair work outcomes, supporting skills and maintaining standards. It is a key tool for driving better outcomes given that public procurement represents around 50% of all construction spend in Scotland. Significant action has already been taken to build fair work criteria into contracts but approaches vary. The Inquiry found that:

- the balance between price and quality in procurement contracts is important, with a strong industry perception that low price bids have been necessary to win tenders.
- no single system for scoring or assessing fair work within procurements has developed.
- fair work weightings can be as low as 2% with the average in our study being around 5%.
- there is limited evidence of monitoring, audit or follow-up by contracting authorities to ensure that any commitments made by contractors as part of the tendering process are implemented in practice.
- there are examples of fair work clauses having meaningful impact on outcomes for workers where they are monitored and enforced. However community benefit clauses were more likely to be effectively monitored than general fair work commitments.
- despite well-written fair work guidance, evidence to the Inquiry suggests that understanding of fair work by project commissioners and managers was inconsistent, particularly with reference to the specific context of the construction industry.
- there are a range of mechanisms to promote fair work through procurement- fair work weightings are only one element. Clearer connections between fair work, community benefit and mandatory and discretionary exclusions could support better outcomes.
- there is currently a strong focus on the Real Living Wage (RLW) within fair work guidance. In the context of construction the RLW tends to represent a pay rate that is lower than collectively agreed rates and 92% of the workforce already earns above it.²⁶ Promoting collectively agreed rates is therefore more important than promoting the RLW within construction.
- legal advice to this Inquiry has found that in a post-Brexit context there is no legal impediment to including collectively bargained rates or the RLW as a contract condition within procurement. The Scottish Government has already announced that companies bidding to win Scottish Government contracts will have to pay the RLW. Similar mechanisms can therefore be included for collectively bargained rates in construction.

²⁶ ONS (2021), [Annual survey of hours and earnings: 2021](#)

- there is a need for fair work to be implemented throughout the supply chain and a strong desire for mechanisms that are consistently applied and that create a level playing field for contractors.

The Inquiry Group makes the following recommendations:

Procurement			
	Recommendation	Owner	Timeframe
1	All contracting authorities should seek to maximise quality weightings and fair work criteria should be given a robust weighting within the quality dimension. Fair work weightings should not be lower than 10% of the contract and it must be possible for low scores on fair work to impact whether a tender is won or lost.	All Contracting Authorities	Within each tender and reviewing frameworks as they arise
2	Training in fair work should be mandatory for all project commissioners and managers overseeing construction contracts. Training should be provided by those who have demonstrable expertise on fair work and support an understanding of what constitutes positive and stretching fair work commitments by contractors.	All Contracting Authorities	All staff should be trained by Jan 2024.
3	Guidance should be reviewed to ensure it supports the use of collectively bargained rates within procurement contracts and short best practice guidance should be developed for construction procurement that highlights positive examples of fair work practice in the construction industry. Current wording around avoiding the use of umbrella companies should be retained.	The Scottish Government	As soon as possible and before Dec 2022
4	Contracting authorities should set an expectation that trade unions have access to workplaces on all public construction contracts in line with the aspiration of the HS2 approach. Access should be facilitated throughout the supply chain.	All Contracting Authorities Lead Contractors Trade Unions	With each procurement
5	Guidance should be updated to make clearer the connections between fair work, sustainable procurement duties, community benefits and discretionary and mandatory exclusions. The guidance should support more use of discretionary	The Scottish Government	Immediate

	exclusions when a contractor or sub-contractor has breached its labour law obligations.		
6	All contracting authorities should include adherence to relevant collectively bargained pay rates as a condition of contract. Introducing this as a clause within industry standard form contracts is an efficient, proportionate and transparent way to implement this and to ensure that it is applied throughout the supply chain.	All Contracting Authorities	Immediate
7	In every contract in which fair work questions were asked at the framework stage, tender stage or both, effective contract management by the contracting authority must take place to ensure that the response provided by the contractor is delivered in practice.	All Contracting Authorities	Immediate
8	All contracting authorities should be signatories to a Fair Work Charter collectively agreed with employers and trade unions. The Scottish Government should also facilitate the appropriate industry leadership group/forum, in negotiation with trade unions, to develop a single charter that sets out principles for advancing fair work in the industry. The single Fair Work Charter should then be used as a pass/fail condition within all construction procurement exercises in Scotland to ensure appropriate fair work standards are applied throughout the supply chain.	All Contracting Authorities An Industry Leadership Group / Forum Trade Unions	Each Contracting Authority to have an agreed charter by Jan 2023 A single charter should be agreed by 2024



Creating Change: Strengthening Effective Voice

Effective voice is key to delivering all other dimensions of fair work. Leadership structures that support social dialogue have an important role to play in ensuring positive relationships and supporting positive outcomes for workers and employers. Organisational structures, collective agreements and voluntary agreements all have a vital role to play in encouraging positive practice in workplaces and creating the working environment necessary for all workers to enjoy fair work outcomes. The Inquiry found as follows.

- Construction Scotland and the Construction Leadership Forum both appear to act as leadership groups for the industry facilitated or supported by the Scottish Government but they do not all reflect the diversity of stakeholders in the industry. The Construction Leadership Forum is an example of more inclusive practice that should be built upon.
- Effective industry leadership requires participation of all relevant stakeholder groups. Government has a crucial role in creating such architecture where unions, employers' organisations and businesses of different sizes and experiences have a voice.
- There is a range of sectoral collective bargaining agreements in construction covering an estimated 85,000 workers or 62% of the employed workforce.²⁷ Together these agreements create a set of minimum standards that could be applied across the industry.
- Collective agreements are the most effective voluntary method to support minimum standards in the industry, because once they are agreed and adopted they provide legally enforceable rights and obligations for the workforce and the employer.
- The legacy of blacklisting remains within the industry and active steps will need to be taken to change workers' perceptions that contacting their union or raising concerns with their employer will put their future income at risk. Employers and unions need to work together and government, contracting authorities and other public bodies should support and facilitate this change.

²⁷ Labour Research Department (2021), [Scotland's Collective Bargaining 2021](#)

The Inquiry Group therefore makes the following recommendations:

Strengthening Effective Voice			
	Recommendation	Owner	Timeframe
9	All existing industry level groups including Construction Scotland and the Construction Leadership Forum should include balanced membership from a range of stakeholders including trade associations, professional bodies, federations and smaller employers. All such groups should also include balanced representation from trade unions.	The Scottish Government Construction Scotland	Immediate
10	The relationship between each of the industry leadership groups should be clarified and the Scottish Government's interaction with each group clearly articulated.	The Scottish Government	Immediate
11	All industry leadership groups should seek opportunities to support, through voluntary agreement, collaborative working, and mandatory approaches where possible including: <ul style="list-style-type: none"> • greater use of collective agreements; • trade union access to workplaces; • the use of fair work charters; • the use of collective dispute resolution procedures on large-scale complex projects giving faster remedy to the workforce. 	All Industry Leadership Groups and Forums	Immediate and ongoing
12	The issue of disputes resolution should be considered in all large-scale public contracts before work begins on-site. The contracting authority, lead contractor and relevant trade union should work together to agree an appropriate and mandatory dispute resolution process that all parties on-site must adhere to. This could be through existing collective agreements or through a standalone procedure, for example a procedure backstopped by ACAS.	All Contracting Authorities Lead Contractors Trade Unions	With each large-scale project



The Future of Construction

The construction industry is at a moment of change. In the next ten years it faces an ageing workforce and skills shortages and must meet the challenges associated with delivering a net zero carbon economy. Skills Development Scotland (SDS) estimates that an additional 79,100 workers will be needed in construction by 2029²⁸ and extensive upskilling and retraining of the existing workforce will be required to support the decarbonisation of the built environment. This is also an opportunity to transform the workforce, creating higher-skilled roles, more diversity and equality and building in modern methods of construction, and new ways of working. The Inquiry found that:

- skills and training in construction are demand-led and there is currently little demand for low carbon technologies, meaning few construction workers currently have the skills to support the transition to net zero.
- certainty of funding from the Scottish Government will support the industry to undertake effective skills and workforce planning.
- new ways of working and modern methods of construction have the potential to transform the industry and offer new opportunities to the workforce but currently modernisation is, at times, associated with deskilling in the industry.
- collective agreements may need to be updated to effectively support new ways of working and improved equality and diversity.
- changes to apprenticeships in 2017 and the removal of registration with federations are undermining collective agreements, reducing apprenticeship pay, and are associated with deskilling in the industry.
- apprenticeships should continue to prepare workers for careers in construction and employers should be supported to take on apprentices. Good practice examples show that it is possible to support employers to take on apprentices and offer high quality training even when they offer narrower more specialised job roles.
- there are low numbers of women, ethnic minorities and disabled workers.
- there is an issue around mental wellbeing for the current workforce. The drivers of mental ill-health for the current workforce include factors relating to unfair working practices.
- evidence to this Inquiry suggests that bullying and harassment are currently under-reported within the industry.
- unions have a key role to play in supporting diverse workers in construction, reducing isolation and supporting workers in addressing any concerns they may raise.
- Glasgow City Building and Royal Strathclyde Blindcraft Industries demonstrate that better equality outcomes are possible where inclusive recruitment practice and ongoing support for apprentices is prioritised.

²⁸ Skills Development Scotland (2020), [Climate Emergency Skills Action Plan 2020-2025: Key Issues and Priority Actions](#)

- apprentice recruitment practice is often informal and only small numbers of construction apprenticeships are advertised on www.apprenticeships.scot
- the construction industry in Scotland needs to be proactive in creating a positive environment where modern slavery cannot take root, including engagement with unions and sharing intelligence between employers.

The Inquiry Group therefore makes the following recommendations:

The Future of Construction			
	Recommendation	Owner	Timeframe
13	Employers should better engage with existing collective agreements, and unions and trade associations should be prepared to work together to ensure collective agreements support new ways of working and equality, covering elements like flexible working, mental health and maternity issues. The Scottish Government should facilitate unions, employers and trade associations to work together to support effective modernisation within the industry through the collective bargaining structures that already exist.	Employers Unions Trade Associations/ Federations / Professional Bodies The Scottish Government	By 2023
14	The Construction Leadership Forum should support development of an effective workforce strategy to facilitate the transition to net zero carbon economy. Workforce planning must consider how to support workers through peaks and troughs in demand.	Construction Leadership Forum	By 2023
15	All public funding supporting the transition to net zero should include fair work conditionality and drive fair work in the industry.	The Scottish Government All public bodies	With each funding stream
16	Public sector bodies and construction employers at all parts of the supply chain should increase their use of direct employment and support upskilling and retraining to support high quality careers in the industry and improve attraction and retention. Support for direct employment should also reinforce a commitment never to use umbrella companies.	Construction Employers of all sizes All public bodies	Immediate
Apprenticeships			
17	The Scottish Government should work with SDS, SQA and CITB to reinstate the need to register with trade associations / federations and employers should be required to pay collectively bargained rates as part of the apprenticeship agreement, as was the case prior to 2017.	The Scottish Government	Immediate

18	<p>SDS should take action to support apprenticeship pay including by:</p> <ul style="list-style-type: none"> conducting a review of current apprenticeship pay in construction and publishing the findings; reviewing all documentation to ensure that it promotes and encourages collectively bargained rates or, where these are absent, the real living wage and consistent messages are offered to both apprentices and employers. 	SDS	By September 2022
19	Continued funding and support should be provided for the Fair Work Apprenticeship Coordinator role, which has been valuable for supporting the Effective Voice of apprentices.	The Scottish Government	Ongoing
20	SDS should ensure there is full and consistent partnership working between SDS, SQA, CITB, trade unions, employers and trade associations/federations in agreeing apprenticeship frameworks, with an aim to see all construction apprentices trained to SVQ level 3 (SCQF Level 6) or above.	SDS	Immediate
21	SDS to work with CITB, employers, trade associations/ federations and trade unions to develop principles for taking forward a shared apprenticeship scheme successfully and in line with fair work principles.	SDS	By Dec 2022
Equality, Diversity and Inclusion			
22	<p>Scottish Government, through the Construction Leadership Forum, should convene a working group that includes employers, trade associations/federations, trade unions, SDS and CITB to address skills and labour shortages and future labour needs in the industry and to promote the opportunities that exist within the industry. This group should aim to:</p> <ul style="list-style-type: none"> work with employers to identify a pipeline of vacancies and future skills needs; define clear skills pathways required to support the transition to a net zero economy, including for workers who are changing careers; work to ensure clear recruitment processes and platforms are available to employers and support employers to access them; create dedicated advertising campaigns encouraging young people and older workers to consider careers in the industry; 	<p>The Scottish Government</p> <p>Construction Leadership Forum</p>	Advertising Campaign to launch in 2023

	<ul style="list-style-type: none"> take action to improve diversity in the industry building on good practice examples such as at Glasgow City Building and Royal Strathclyde Blindcraft Industries. 		
23	<p>Employers should support a zero tolerance approach to bullying and harassment at the workplace protecting workers from adverse treatment and employers from potential liability. Embedding a safe culture for reporting must come from the top of the organisation. Employers of all sizes must focus on:</p> <ul style="list-style-type: none"> their internal procedures by providing clear and transparent reporting mechanisms, processes for investigation and management training to identify and take seriously issues of bullying and harassment. encouraging and supporting workers to raise any concerns, without fear of retribution. ensuring that no detriment arises for workers who raise concerns. highlighting external support mechanisms like collective agreements or dispute mechanisms. 	Construction Employers of all sizes	Immediate
24	<p>Unions should provide support mechanisms and dedicated networks for under-represented groups in construction to combat the isolation that workers can feel at work or on training schemes. Employers, trade associations and other relevant actors should signpost to these networks and any dedicated officers who can offer support.</p>	Trade Unions	Immediate
25	<p>Contracting authorities should require participation in the Gangmasters & Labour Abuse Authority's construction protocol within large-scale procurement projects.</p>	All Contracting Authorities	With each large-scale procurement

Conclusion

It is crucial that the actions of Scottish Government and other public bodies and agencies – either in procurement, in skills or in investment – support fair work outcomes. The construction industry faces many challenges but encouragingly the building blocks for collaborative working and supporting skills, standards and fair work in the industry all still exist.

To make fair work a reality for all in the industry, government and other public agencies must support the existing collective agreements and promote their use and effective implementation. Recognising, valuing and using these agreements and collaborative and inclusive ways of working in the industry will help us support fair work and modernisation within construction and also achieve Scotland's net zero carbon targets.

The Convention will work with public authorities, employers, trade associations and trade unions to monitor, on an ongoing basis, the adoption and implementation of all of the recommendations within this report.

The Inquiry Group also makes one final recommendation:

Monitoring Outcomes for Workers			
	Recommendation	Owner	Timeframe
26	The Fair Work Convention should return to this Inquiry after five years to examine how well recommendations have been adopted and evaluate the industry against the fair work outcomes within this report.	Fair Work Convention	2027



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