

SCOTTISH BUDGET PRIORITIES 2022/23

About Us

The Civil Engineering Contractors Association Scotland (CECA Scotland) is the representative body for companies who work day-to-day to deliver, upgrade, and maintain Scotland's infrastructure.

With one hundred member companies across Scotland, CECA Scotland represents companies who together carry out an estimated 80 per cent of all civil engineering activity in our country, in the key sectors of transport, energy, communications, waste and water.

Few industries shape our nation in the way civil engineering does. Our members drive Scotland's economic growth, working across the roads, rail, water and power sectors; delivering the infrastructure businesses and communities in Scotland rely on. Our members include some of the largest construction firms as well as a range of small specialist and regional contractors.

We estimate that 82% of our members are Scottish based SME's. Across Scotland, our industry supports the employment of over 30,000 people with annual activity worth around £3 billion.

Leading the Recovery

In spite of the ongoing challenges of COVID-19 and global economic uncertainty, CECA still believes that the construction industry remains well-positioned to lead Scotland's recovery. As a sector, we continue to manage the challenges that arise, in order to work safely and deliver the world class infrastructure our country so desperately needs. It is vital that infrastructure continues to play a key role in Scotland's long term growth and the 2022-23 Budget should be used as an opportunity to provide economic stimulus.





For each £1 billion increase in infrastructure investment, GDP increases by a total of £1.299 billion



For each 1,000 jobs that are directly created in infrastructure construction, employment as a whole rises by 3,053 jobs



Every £1 billion of infrastructure construction increases overall economic activity by £2.842 billion

Investment in infrastructure

The construction industry has welcomed the Scottish Government's commitment to invest £33 billion in infrastructure over the course of the current parliamentary term as set out in the Infrastructure Investment Plan for Scotland 2021-22 to 2025-26. Civil engineering contractors now need greater visibility of investment pipelines at national and local levels to give companies the confidence required to plan for their business and the workforce.

The infrastructure investment pipeline should be confirmed as early as possible to ensure the construction industry has the capacity and resources to start delivering shovel-ready projects during the current parliamentary term. In particular, clarity is needed on timelines for bringing major road-building schemes to market and agreement on a rolling work programme to deliver Scotland's significant investment in rail decarbonization.

As it stands, 41% of investment has been earmarked for the utility networks, transport and digital communications infrastructure that will be crucial for boosting connectivity [1]. Scotland must ensure that investment in traditional infrastructure continues to remain at internationally competitive levels as other nations around the world look to infrastructure to reboot their economies.

Closing the skills gap

The results from CECA Scotland's recent survey of member companies demonstrates that, while the supply of materials/products remained the main concern for Scottish firms, the proportion citing difficulties recruiting skilled operatives (74%) has reached a 16-year high. More than a quarter of contractors have also told us that they expect demand for skilled operatives to increase over the next twelve months. [2]

The construction sector has an ageing workforce and an unprecedented recruitment drive will be required to fill the 26,250 extra jobs needed in Scotland by 2025 as a significant cohort of skilled workers reach retirement age [3].

With the construction sector reliant on the public sector for around 50% of its work, the Scottish Government has a key role to play in helping the sector to attract new workers and retain skills in Scotland by providing a clear, long-term pipeline. This would give contractors the confidence and certainty to invest in skills and workforce planning. The Scottish Government should also review programmes like the National Transition Training Fund and the Young Person's Guarantee to ensure workers affected by the impact of Covid-19 have the opportunity to retrain for careers in construction.



Jacqueline Brodie won CECA Scotland's Most Promising Trainee Quantity Surveyor award. The awards programme is part of our efforts to attract more young people to the industry.

Building a climate resilient future

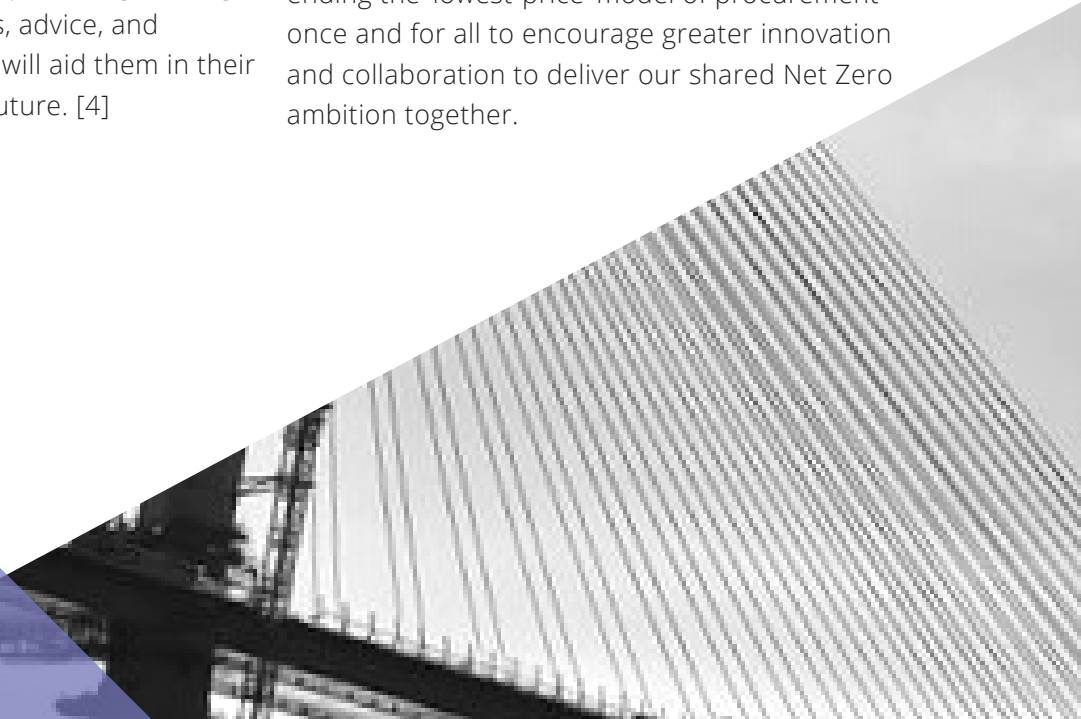
Civil engineering contractors are already exploring opportunities for new technologies and ways of working to reduce the industry's carbon footprint and doing our bit to contribute to making Scotland a Net Zero nation. For example, CECA recently published a new resource to help civil engineering SMEs access specific awareness, advice, and examples of good practice that will aid them in their journey towards a low carbon future. [4]

We also recognise that rising temperatures will lock in some inevitable climate impacts which will force society to adapt. With more frequent flooding, shifting weather patterns and higher temperatures happening right now in Scotland, long-term investment is required to upgrade our national infrastructure to make sure our rail, road, water and energy systems are climate-resilient and built to last.

The latest UK Climate Change Risk Assessment (CCRA3) report identified significant parts of Scotland's critical infrastructure which are vulnerable to river and surface water flooding, including over 1100km of rail track, 83 sewage treatment works and 67 electricity substations [5].

The effects of climate change will also have a heavy toll on the road network and significant investment is required clear the backlog of maintenance, particularly in roads and bridges which fall under the control of local authorities, to safeguard local economies and rural communities.

The scale of the challenge should compel government to work together with industry to drive forward action on carbon reduction and ensure that the public procurement process does not act as a barrier to change. This means ending the 'lowest-price' model of procurement once and for all to encourage greater innovation and collaboration to deliver our shared Net Zero ambition together.



CASE STUDY: GLASGOW'S SMART CANAL

The construction of Glasgow's Smart Canal is an example of the kind of world-leading innovation which Scotland's civil engineering community can deliver when the public sector works together with industry to invest in infrastructure and build the low-carbon solutions that will help Scotland adapt to a changing climate.

Together with their partners at Scottish Canals, Glasgow-based contractor Mackenzie Construction Ltd received the 'Greatest Contribution to Scotland' award at the Scottish Civil Engineering Awards 2021 for creating Europe's first 'smart canal' in North Glasgow. Officially named the North Glasgow Integrated Water Management System (NGIWMS), the project sees North Glasgow passively absorb, clean and manage rainfall intelligently.



Advanced warning of heavy rainfall automatically triggers a lowering of the canal water level to create capacity for surface water run-off. The pioneering digital surface water drainage system unlocks 110 hectares of land across the north of the city for investment, regeneration and development, paving the way for more than 3000 new homes.

FURTHER INFORMATION

1. Scottish Government response to parliamentary question ref. S6W-02217 (<https://www.parliament.scot/chamber-and-committees/written-questions-and-answers/question?ref=S6W-02217>)
2. Workload Trends Survey Q3 2021, CECA Scotland (<https://cecascotland.co.uk/wp-content/uploads/2021/12/CECA-Scotland-2021-Q3.pdf>)
3. Construction Skills Network Forecast, CITB Scotland (<https://www.citb.co.uk/media/nwrltcsmscotland.pdf>)
4. Carbon Reduction Demystified for SMEs in Civil Engineering, CECA (<https://www.ceca.co.uk/wp-content/uploads/2021/11/CECA027-Carbon-Booklet-LORES.pdf>)
5. Summary for Scotland, Evidence for the third UK Climate Change Risk Assessment (CCRA3) (<https://www.ukclimaterisk.org/wp-content/uploads/2021/06/CCRA-Evidence-Report-Scotland-Summary-Final-1.pdf>)
6. Glasgow's Smart Canal (https://www.mackenzieconstruction.com/case_study/ngiwms-glasgows-smart-canal/)

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