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FEDERATION OF  
**MASTER  
BUILDERS**

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# **Building Scotland's Construction Industry**

## **FMB Programme for the Scottish Government 2021 – 2026**

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**The construction sector is an important contributor to the Scottish economy: directly supporting £8.5bn in Scottish GVA and supporting over 170,000 full-time equivalent jobs.**



According to the CITB's (Construction Industry Training Board) 2021-2025 forecast for Scotland, construction output is not expected to meet the pre-Covid level until the end of 2025. As we emerge from the pandemic with the economy re-opening, the skills and capacity of our construction industry will be vital for Scotland's economy and in enabling the country to deliver on its climate change ambitions.

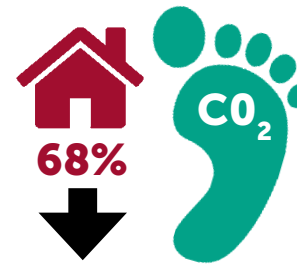
We need our built environment to be as energy efficient as possible, and as set out in Scotland's Climate Change Plan update, emissions for homes and non-domestic buildings combined will have to fall by 68% by 2030 as compared to 2020.

The **2.5 million** occupied dwellings in Scotland account for 15% of Scotland's total greenhouse gas emissions. A fabric first approach delivered by local building and construction firms across Scotland will be central in reducing this carbon footprint.

The FMB is calling on the next Scottish Government to focus on five key areas.

**1. Establish a VAT reimbursement fund for home repair, maintenance and energy efficiency improvements**

This would stimulate demand for improvements to the fabric and energy efficiency of Scotland's homes. VAT registered companies are more likely



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to employ apprentices, this fund would support job creation by SMEs and obstruct rogue traders and the informal economy.

**2. Invest more in vocational skills training to ensure that building companies have access to skilled labour**

The construction sector has an acute skills gap, further widened by the impact of Covid-19: 2020 saw a 30% drop in apprentices recruited in construction compared to 2019. The Scottish Government must act swiftly and decisively to prevent the skills crisis accelerating.

**3. Simplify the tendering process to make public sector construction contracts more accessible for SMEs**

Local FMB members consistently cite the onerous complexity of pre-qualification questionnaires as a

disincentive to bid for construction works for public sector clients.

**4. Reform the planning system to enable more SME housebuilders to build more of our homes**

Scotland's National Planning Framework 4 must rebalance the planning system to stimulate housing delivery by SMEs.

**5. Set out a clear programme of public sector maintenance and construction projects for the next 5 years**

Well maintained buildings perform better and are healthier. Providing SMEs with a clear pipeline of work will give them the certainty they need to invest. This would protect skills in the industry and help Scotland achieve the climate change targets.

**The value of Construction in Scotland**



**60,000**  
– number of self-employed construction workers

**10%**  
– percentage of the Scottish workforce employed in construction

**£2.94** – amount generated in the economy for every £1 spent on construction

**10%**  
– percentage of Scotland's GVA provided by construction industry



**10,000**  
– number of construction apprentices in Scotland:

**Over 70%**  
are trained by SME's





The key asks in this Programme are based on the results of a survey of FMB Scotland member companies conducted between 18 February and 2 March 2021.

## About the FMB

The Federation of Master Builders (FMB) is the largest trade association in the UK construction industry representing thousands of firms in England, Scotland, Wales and Northern Ireland. Established in 1941 to protect the interests of small and medium sized construction firms, the FMB is independent and non-profit making, lobbying for members' interests at both the national and local level.

For more information about the FMB please visit [www.fmb.org.uk](http://www.fmb.org.uk)



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