

# Minutes of the eleventh Meeting of the Construction Sector Group

25<sup>th</sup> February 2021



Conference Call

## Present

David Moloney (Chair), PJ Rudden (Agenda Item 2 - Chair Innovation and Digital Adoption for CSG) Sarah Ingle (ACEI), David Duffy (BMF/IBEC), Tom Parlon (CIF), Frank Kelly (CIF), Shane Dempsey (CIF), Caroline Spillane (Engineers Ireland), Declan McGee (Enterprise Ireland), Neil Kerrigan (Enterprise Ireland), Kathryn Meghen (RIAI), Ciaran O'Connor (RIAI), Conor Norton (IPI), Orla Purcell (IPI), Micheál Mahon (SCSI), Shirley Coulter (SCSI), Patrick King (SCSI), Conor McCarthy (ACEI), Liam Bernie (ICTU), Alan Power (DETE), Andrew Caldicott (DECC), Hubert Loftus (DES), Valerie Kirwan (DES), Phil O'Flaherty (DFHERIS), Jim Curran (HSE), David O'Brien (OGP), Maria Graham (DHLGH), Sarah Neary (DHLGH), Owen Joyce (DFINANCE), Gerard McGuinness (DFINANCE), Amy Mulligan (DTAOIS), John Shaw (DTAOIS), Kate Flinter (DTAOIS), Donn Maguire (DHEALTH), Maria O'Brien (DHEALTH), John Coppinger (DTRANS), Tony Sheppard (DEDUCATION), Ronnie Downes (DPER), Kevin Meaney (DPER), Fionn Jenkinson (DPER), Margaret O'Donnell (DPER), Ciara Morgan (DPER), Eoin Dignam (DPER), Colm Farrell (DPER), Rinku Phulphagar (DPER), Christina Mohan (DPER), Justin Wallace (DPER).

## 1. Minutes of meeting held on 26<sup>th</sup> November 2020

The minutes of the last meeting were agreed. Most of the actions arising from the last meeting were progressed, although DPER noted that the DHLGH update on progress to reform of planning will take place at the next CSG meeting.

## 2. Update from Innovation Sub-Group (Chair of Group)

The Chair of the CSG Innovation and Adoption Subgroup gave a comprehensive update on the progress made on all of the subgroup's 7 Actions. Action 1, the Construction Research Forum, is complete. The first Action 2 report, on the identification of funding sources, has just completed. Action 3, Modern Methods of Construction, has produced 2 reports. On Action 4, the tender process for a DDN process for the Construction Technology Centre is currently underway. The first two courses are ready to launch for Action 5, the Construction Skillnet. A pilot scheme for Action 6, the digitisation of the Planning Application Process, has begun and for Action 7, a number of candidates are currently competing in the Build Digital project grant call.

The Chair requested a copy of the subgroup's flowchart and asked about timelines. The Subgroup Chair said that the Construction Technology Centre should be established by 2023 and the Build Digital project in 2021. RIAI highlighted the need for innovation in how construction projects are designed and commissioned.

## Action Point

- DPER to circulate Innovation subgroup's flowchart.

### **3. Industry Actions and Update (Industry Leaders)**

#### *ACEI*

ACEI said that the draft report on national and international funding streams, has been completed. ACEI also reported on current issues affect the industry, such as an increase in professional indemnity premiums, and said that more clarity was needed on when sites can be reopened.

#### *CIF*

CIF reported on its Careers Campaign, which has begun, and on recent engagements with stakeholders on apprenticeships and traineeships. On current issues facing the industry, CIF said that construction was only working at 40% capacity and if sites were not allowed to open back up soon there was a danger of job losses and the closure of firms. CIF also noted a concern about predicted cost inflation.

In response, DTAOIS outlined the government's Living with Covid plan. DTAOIS accepted that there had been few Covid-19 cases on building sites but that it remained crucial for now to restrict the number of people moving around in the country. CIF said that construction, which takes place largely out of doors, should be recognized as being different from most other economic activities. The Chair stated that reopening construction is a key government priority that would take place as soon as possible in line with the health advice, however, the current scale of Covid's presence in Ireland along with the identification of new variants demanded restrictions.

#### *Engineers Ireland*

Engineers Ireland reported on its recently launched Statement of Strategic Intent 2021-2023, which highlights digitalisation and innovation in engineering, and cited capital investment, Covid-19, Brexit and sustainability as key factors affecting the sector. Engineers Ireland has recently conducted a survey of over 2,000 members and will share the resulting report with DPER and DETE once published.

#### *IPI*

IPI reported that the planning system remains open, and that they are currently awaiting the launch of digital planning services. IPI noted that the private sector is reporting a strong pipeline of projects, mostly for large-scale housing development.

#### *RIAI*

RIAI said it was holding a joint workshop on training with Engineers Ireland in late March 2021 and hopes to report back on the outcome at the next CSG meeting. RIAI cited Covid-19, PI insurance and an inflexible, adversarial Capital Works Management Framework (CWMF) as the current issues facing the sector. On the market outlook, RIAI said that the private sector is increasingly focussed on sustainability, while reporting that the public procurement pipeline has slowed down since the imposition of the current lockdown. RIAI stated that there would be serious consequences for the industry due to the current closure.

#### *SCSI*

SCSI gave an update on education and cost reporting innovations. Current issues facing the sector are affordability, viability, Brexit, Covid-19 lockdowns and PI insurance. SCSI noted that their client market is cautious, currently re-evaluating its needs but that the outlook for the industry was positive relating to data centres and logistic sectors, but less positive in relation to the retail and hospitality sectors.

### **Action Point**

- Engineers Ireland to share members' survey report with DPER and DETE.

#### **4. Update on Procurement (OGP)**

OGP gave an update on recent guidance they have published and are currently developing with the hope of providing more clarity in the event of further lockdowns. OGP said that the worrying rise in PII premiums is linked to a global market tightening and that they are working on guidance which will set minimum terms for what PI policies should contain.

On other workstreams, OGP plans to publish a position paper on price variation shortly and is preparing a BIM seminar for industry members. OGP is also developing more robust performance management metrics that can be built into contracts to drive better performance.

The CIF asked about the timeline for PII guidance. OGP has to consult a number of stakeholders on the issue but hopes to be in a position to issue some guidance in March 2021. OGP also mentioned a product called project insurance that is being looked at as an alternative to PII.

#### **Action Point**

- OGP to engage further with industry in relation to PII and update next CSG meeting.

#### **5. Apprenticeships (DFHERIS)**

DFHERIS gave an update on the forthcoming apprenticeship action plan based on material circulated to the group. DFHERIS ran a consultation process with registered apprentices from July to November 2020 and is currently preparing the action plan for government. Some of the key findings from the process have been that the core features of apprenticeships remain robust but that complex governance structures and long timeframes to develop new apprenticeships present challenges. DFHERIS detailed 5 key objectives, employer supports and widening access.

In the discussion that followed, CIF suggested the increased use of marketing to improve apprenticeship take-up. ICTU noted the important role the public sector had to play in supporting apprenticeships.

#### **6. Update from National Investment Office (NIO)**

DPER gave an update on the work of the NIO. DPER presented on the updated investment tracker and map. On the Build Digital Grant Call, DPER said that a successful bidder will hopefully be announced in March 2021. On the review of the NDP, the phase 1 report is due to be published by the end of Spring 2021, and work on phase 2 will commence thereafter.

#### **7. AOB**

RIAI restated that it was crucial that the construction sector be allowed to reopen as soon as possible. The Chair assured the group that government is kept fully informed of the industry's concerns.