

# Construction Sector Group

Meeting 18

11am on 27<sup>th</sup> October 2022

Conference Call



Riailas na  
hÉireann  
Government  
of Ireland

Tionscadal Éireann  
Project Ireland  
**2040**

## Present

John Conlon (DPER) (Chair), PJ Rudden (Chair of Innovation and Digital Adoption Sub-Group), Sarah Ingle (ACEI), Tom Parlon (CIF), Frank Kelly (CIF), Patrick King (SCSI), David O'Brien (OGP), Sarah Neary (DHLGH), John Coppinger (DTRANS), Kevin Meaney (DPER), Colm Farrell (DPER), Rinku Phulphagar (DPER), Margaret O'Donnell (DPER), Mark Connolly (DPER), Declan Donoghue (DPER), Shirley Coulter (SCSI), David McHugh (RPS Group), Neil Kerrigan (EI), David Howard (BMF), Geraldine Larkin (NSAI), Eamonn Quinn (DHEALTH), Maria O'Brien (D/Health), Damien Owens (Engineers Ireland), Sarah Campbell (RIAI), Patrick King (SCSI), Hubert Loftus (D/Education), Pranash Ramanundh (RIAI), Seán O'Leary (IPI), Brian Kavanagh (Garland Consultancy), Les Carberry (DECC), Oscar Nieto Sanz (European Commission), Warren Phelan (EPA).

## Apologies

David Moloney (DPER), Declan McGee (Enterprise Ireland), Owen Joyce (D/FINANCE), Paul Sheridan (CIF), Eileen Hearne (Department of Taoiseach), Sean Armstrong (DHLGH), Paul Cotter (D/Finance), Cassandra Hinchy (DFHERIS), Manus O'Donnell (DETE), Feargal Ó Coigligh (DHLGH), Keelan Keogh (Engineers Ireland), Sean Balfe (NSAI), Gerard McGuinness (D/FINANCE), Maria Graham (DHLGH), John Wickham (DHLGH), Patricia King (ICTU), Charlotte Sheridan (RIAI).

## Minutes

### 1. Minutes of meeting of 7<sup>th</sup> July 2022

The minutes of the meeting were agreed. The two actions arising from the meeting on 7<sup>th</sup> July were addressed by the RIAI and CIC, respectively.

### 2. Standing Item: Update on the Innovation Sub-Group (Sub-Group Chair)

The Chair of the Innovation and Digital Adoption Subgroup, PJ Rudden, provided updates on the seven priority actions. The principal activities since the last meeting on 7<sup>th</sup> July 2022 centred around the Construction Technology Centre (CTC), Modern Methods of Construction (MMC), Build Digital Project, Demonstration Park for MMC at Mount Lucas, and e-planning.

The CSG Sustainability and Climate Action Group led by RIAI has published the RIAI Design for Manufacturing and Assembly (DfMA) Manual. The Group is now aiming to progress the Construction Sector Circular Economy Roadmap, subject to the funding agreement for a facilitator. For MMC, there are two parallel work streams – MMC1 on strategy and policy integration particularly on housing, and MMC2 focused on major projects in the NDP. The expected delivery date for the Demonstration Park for MMC is Q4 2023. The MMC Leadership and Integration Group in DETE is looking at an incremental roadmap with targets for certified MMC adoption in publicly procured housing developments to include, for example, tender process, DfMA, and BIM mandate timetable. MMC2 looking at roadmap

for the procurement of major public projects using MMC. The CIF has agreed to launch an MMC specific association in support of companies operating in this space.

The Construction Technology Centre (CTC) has mobilised in University of Galway supported by UCD, TCD, UCC and the Irish Green Building Council and advertised the Centre Manager position. In its early work, the CTC is implementing 'quick win' research projects on various housing challenges to be completed by year end, assisted and funded by Enterprise Ireland. With regards to ePlanning, seven more counties have been added to Wave One rollout phase. Uptake in Galway and Tipperary increasing from circa 30% to more than 60% now. The Build Digital Project held its first annual conference yesterday (26 October 2022) in hybrid form across locations in Wood Quay, Cork, Galway and Waterford. Minister McGrath gave a speech at the conference which noted the work of the OGP in preparing draft contract amendments to incorporate BIM into the CWMF. The rationale for the adoption of 4D, 5D, 6D and 7D was provided – need for smarter and earlier design in terms of the lifecycle costs and operating costs of infrastructure and buildings. 80% of cost related to lifecycle costs. There is a need for public bodies to adopt BIM as the private sector is already doing so. BIM mandate in procurement needed. The DHLGH residential construction cost study is progressing with a workshop this week. Overall the study is making good progress and Q4 2022 completion is scheduled.

David O'Brien (OGP) noted the work of Build Digital Project to assist with BIM adoption. OGP preparing the ground for BIM through masterclasses for public sector. Phased approach to rollout of BIM in order to not disrupt projects going to tender. Design side initially of public works projects. Clients need to recognise and plan for any potential disruption. Kathryn Meghan (RIAI) gave an update on the RIAI's newly updated BIM pack which is freely available on the RIAI website, with a supplementary document for SMEs. Also RIAI DfMA guide has been published. She stated that this would be shared with the CSG Secretariat.

Tom Parlon (CIF) recommended a more fundamental role for the CSG, e.g. housing issues and housing Ukrainian refugees. He suggested that the Government commitment to modular housing could be better managed. There will need to be investment and an expansion of capacity. There could be more scope for CSG to deal with urgent issues as well as longer term reforms. Sarah Ingle acknowledged the Build Digital Project survey as a benchmark for industry adoption. She noted the annual conference and workshop of BDP yesterday.

### **3. Minimising Construction Waste (DECC and EPA)**

Les Carberry (DECC) provided an update on the circular economy policy background. Our circular material use rate (CMUR) is the share of material that is recovered and fed back into the economy. Ireland's CMUR is 1.8% relative to EU average of 12.8% (30.9% in Netherlands), so there is significant scope for improvement. Whole of Government Circular Economy (CE) Strategy linked to Waste Management Plan (2020) relates to better segregated waste. Construction sector waste reduction could treble our CMUR.

Circular Economy and Misc. Provisions Act 2022 – places CE Strategy on a statutory footing. Need to look at circular design etc. Working with CSG on roadmap, which has been delayed, but resume now that the Act has been established. Circular Economy Strategy 2.0 to be informed by baseline study will lead to an Action Plan with metrics and targets. Development of national CE indicators to support Strategy, potentially at sectoral level. Capital development planned under NDP has impact on CE Strategy and roadmap for construction. DECC is leading on the development of national Green Public Procurement policy (with EPA and OGP input), including an update to 'green tenders'.

Warren Phelan (EPA) provided an overview of the Circular Economy (CE) Programme of the EPA. The CE Programme 2021 -2027 was published in December 2021 which aims to support the whole of Government CE Strategy. The programme contains 7 priority areas, one of which is construction and buildings. The programme document is structured around four pillars of activity, including a framework for circularity (End-of-Waste and By-Products). The EPA has published 'Best Practice Guidelines for the preparation of resource and waste management plans for construction and demolition projects'. Project developers are required to document their design thinking, material selection and methodologies to demonstrate that circular construction has been embedded.

Warren gave an overview of the C&D waste statistics over the period 2004 to 2020. In 2007, 17.8 million tonnes of C&D waste was recorded. This fell to circa 3 million tonnes during the recession, but has since risen to over 8 million tonnes in 2020 (c. 80% relates to soil and stone material). The treatment of this waste is dominated by backfilling at authorised soil recovery facilities. The differences between by-products (waste prevention) and end-of-waste (waste treatment) under circular economy regulation were outlined. By-product notifications have averaged over 400 per year in recent years (233 to end August 2022). Approximately 50% relates to soil and stone notifications, with 35% accounted for by road planings. The number of end-of-waste applications has ranged between 9 and 16 over recent years. Of the circa 50 applications currently on hand at the EPA, more than 50% relate to recycled aggregates.

The number of applications for by-products and end-of-waste are unsustainable for both the EPA and industry. As a result, there has been a change of strategic direction through the development of national criteria for 1) national end-of-waste criteria for recycled aggregates, 2) national by-product criteria for road planings and asphalt materials, and 3) national by-product criteria for greenfield soil and stone. Warren provided updates on the progress of each project. For road planings, 10 submissions received and examined, direct stakeholder engagement has taken place. Aim to bring draft decision to EPA Board end January 2023. For recycled aggregates, extensive stakeholder engagement and site visits have taken place. Industry consultation paper to issue in January 2023. For greenfield soil and stone, a consultation paper issued in September 2022 with over 30 submissions received. These are under review and direct stakeholder engagements will take place. The national criteria will result in a number of benefits such as by-product notifications decreasing by approx. 80% and end-of-waste applications by approx. 75%. Warren provided a comprehensive table setting out the timeline for each of the three projects for national criteria, and discussed the preparation of draft regulations which are anticipated for end-of-waste and by-products in Q1 2023. Notification of draft national criteria to European Commission (3-month consultation period) expected in Q1 2023 for recycled aggregates and road planings, with greenfield soil and stone expected in Q2 2023. Greenfield soil and stone will run approx. one quarter behind the others, with criteria to be finalised circa Q3 2023.

The CIF raised a query related to urban regeneration and brownfield sites. What is the current thinking in terms of the process? (Article 27) – Who will approve movement of material from one site to the next? The LA or the EPA? Warren replied that currently individual notifications are submitted to the EPA and applicants must demonstrate that the 4 criteria set out in the Waste Framework Directive Regulations must be met. The EPA makes a decision based on materials and evidence provided. Greenfield soil and stone can be transferred under new criteria to third party sites, provided the criteria of the new national decision are met. A system of registration is planned for the purposes of monitoring and tracking the movement of greenfield soil and stone under the national decision. Brownfield soil and stone material will not be covered under the new decision which is specific to greenfield soil and stone. Enforcement of the new national decision will fall to the enforcement

authorities (local authorities or WERLAs). Currently soil and stone from brownfield sites can be determined as a by-product provided the applicant can demonstrate that the material is not contaminated (through testing and comparison with appropriate standards) and the criteria specified in the regulations are met.

#### **4. Update from Construction Industry Council (CIC)**

Sarah Ingle, Chair of CIC, provided an update on CIC challenges and concerns bringing in some CIC members to follow up on a few points. She stated that it is a priority for the built environment sector that contract conditions continue to attract the industry to bid for public projects. This will require investing in the resources necessary to bring the public procurement process and the Public Works Contract (PWC) in line with international norms, including fair and effective price variation mechanisms. To reflect the increasing complexity of design and delivery of buildings and infrastructure this needs to be urgently addressed.

In addition to this, RIAI stated that commencement housing notices decreased by 21%. It was also stated that the investment tracker is useful, however granular details are required when it comes to housing projects. CIF stated that contractors are choosing private contracts over public contracts due to price variation clause. The OGP stated that the majority of projects are progressing with the support of the inflation co-operation framework and also that we need to be careful before considering contracts such as NEC as it could cause disruption and further delays. Brian Kavanagh (ACEI) highlighted that visa process is too slow. NIO stated that they will seek an update from DETE on work permits, and an update on PPSN from DSP. Sarah Ingle stated that there should be a dedicated Minister for the Built Environment. DHLGH stated that supply has increased significantly this year (rolling 12 month delivery of 27,000) and also that they would be interested in communicating with the CIC on ideas/issues to further improve the supply. SCSi highlighted that inflation is at 14 percent (current rate of inflation) and that the concrete levy should not have been introduced. CIF outlined the lack of confidence in An Bord Pleanála currently and the planning system more generally.

#### **5. Horizon scanning of EU Regulation (EU Commission)**

Oscar Nieto Sanz presented on the topic of Construction Products Regulation (CPR). Oscar explained that the vision of a new CPR is the functioning of a single market, improving the competitiveness of the sector and digital transition of the construction ecosystem. This is required to have a common technical language for the sector. Additionally, the revised CPR aims to provide a green transition of the manufacturing processes and efficient use of natural resources by facilitating reuse and recycling.

It was stated that Mandatory CEN/CENELEC standards remain as the regulatory technical specifications. These help facilitate trade between countries, create new markets, cut compliance costs and support the development of the Single European Market. Furthermore, it was stated that methods for assessment shall be laid down in standards which are rendered mandatory for purposes of application of this Regulation. The essential characteristics of products shall be identified in view of the basic requirements for construction works, taking account of the regulatory needs of Member States.

It was identified that there were zero citations/references of harmonised standards in 2021 but the CPR acquis process is expected to result in the citation of standards in the coming years. Oscar highlighted that the EU is setting performance and information requirements for products placed on

the Single Market, and delivery of environmental information from construction products and implementation of requirements. Transition process of current CPR to new CPR was highlighted, with different product groups having different timeframes, i.e. cement and thermal insulating products will be developed in 2023, while regulations for other products will follow in sequence over a number of years until 2045.

In the discussion that followed the presentation, it was stated by DHLGH and NSAI that Ireland is active in the transition to the new CPR process. BMF stated that industry involvement is required in the transition process.

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## **6. Standing Item: Update on Project Ireland 2040 (NIO)**

NIO stated that MPAG is currently examining the elective care centres in Cork and Galway. Additionally, the capital investment tracker will be published in January 2023. Reports such as Build 2022, Prospects 2022, and Annual and regional reports were published in July 2022 and are all available on the gov.ie website. NIO also outlined that scoping for 2023 analytical work and CSG work programme is currently ongoing. For this, engagement with industry will begin in November/December 2022. Finally, it was stated that the NIO would be grateful if all action leaders of the Building innovation actions can send on their 2022 updates by 3<sup>rd</sup> November 2022.

## **7. Any Other Business**

CIF stated that less contractors are tendering for Public Works Contract. DPER stated that more information will be sought from agencies/Departments on this.

### **Action Points**

1. Recent reports and manuals by RIAI to be shared with the CSG Secretariat. This is to be circulated to CSG members.
2. NIO stated that they will seek an update from DETE on work permits and PPS numbers from DSP.
3. CIF stated that less contractors are tendering for Public Works Contract. DPER stated that more information will be sought from agencies/Departments on this.

The next meeting will be held on the Thursday 26<sup>th</sup> January 2022.