



Construction Sector Group

Meeting 20

11am on 20th April 2023

TK Whitaker Room, Government Buildings, Upper Merrion Street, Dublin 2, D02 R583

Present

David Moloney (Chair), John Conlon, Kevin Meaney, Colm Farrell, Declan Donoghue (all PENDR), PJ Rudden (Chair of Innovation and Digital Adoption Sub-Group), Brian Kavanagh (ACEI), Joe Conway (CIF), Tom Parlon (CIF), Hubert Fitzpatrick (CIF), Shirley Coulter (SCSI), Patrick King (SCSI), David O'Brien (OGP), Sean Armstrong (DHLGH), Éadaoin Ní Fhearghail (DHLGH) David Duffy (PII), Geraldine Larkin (NSAI), Damien Owens (Engineers Ireland), Pranash Ramanundh (RIAI), Tony Reddy (RIAI), Hubert Loftus (D/Education), Sarah Miley (DFHERIS), Eamonn Quinn (D/Health), Liam Berney (ICTU), Tomás Campbell (D/TRANS), Sean Laffey (UÉ), Niall Gleeson (UÉ)

Apologies

Sarah Neary (DHLGH), John Coppinger (DTRANS), Declan Hughes (DETE), Robert Deegan (DECC), David Howard (BMF), Kathryn Meghen (RIAI), Seán O'Leary (IPI), Neil Kerrigan (Enterprise Ireland)

Minutes

1. Minutes of meeting of 24th January 2022

The minutes of the meeting held on 24th January 2023 were agreed.

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

The chair of Innovation and Digital Adoption Sub-Group updated the group on the new structure for the CSG Innovation and Digital Adoption Sub-Group, noting the reconstituted PI2040 Delivery Board which will be chaired by Minister Donohoe. He also provided updates from all Actions of the CSG Sub-Group.

- Noting the Build Digital Project is a key foundation stone for this endeavour to support productivity and sustainability and is refocusing on the fact that 95% of the Irish construction industry consists of SMEs. In addition, it has taken on board feedback on Year 1 deliverables and will apply lessons learned to Year 2 outputs.
- A notable CSG success to date has been Construct Innovate. A Centre Chair and a Centre Manager have been appointed.
- Action 5 (Skillnet), has developed videos on MMC training and a Digital Construction Pack to be published in May.
- Action 2, the Circular Economy Roadmap on Sustainability by RIAI is progressing positively.
- The Modern Methods of Construction (MMC) Roadmap by DETE is being drafted, with publication planned in June 2023, and
- Action 6 ePlanning has been rolled out to 18 LAs. Rollout to the remaining six (Galway City, Kildare, Roscommon, Donegal, Offaly and Kerry) Wave 3 LAs has commenced. DLRC and Fingal currently testing prior to planned piloting in Q3 2023, followed by South Dublin and Wexford in Q4 2023.

Discussion followed about the pace of MMC roll out, it was noted that there are currently c.100 companies doing off-site construction. These firms are now awaiting public policy direction and this is what DETE's roadmap for MMC will provide. The Demonstration Park for MMC was discussed re. commercial entities involved. DHLGH noted that EOI's have been issued for MMC pods in the Park, with planned completion of the Park by end year.



3. Low Rise Medium Density Model

The planning and design framework in Ireland is similar to other Anglophone countries influenced by the work of Raymond Unwin and Barry Parker. The current formula, whilst achieving the required density, does not generally produce the high standards of sustainable residential communities to which architects, urban designers and the general public aspires. There is a difficulty in achieving housing solutions above 30 units per hectare. The RIAI made a recent submission to the Minister for DHLGH for a new category of low-rise medium-density housing and suggest that this model of low-rise medium-density housing should be introduced as a priority by the Minister. This would promote the development of smaller schemes accessible to more SME contractors which may be funded, constructed, and sold incrementally. The RIAI proposed new national housing standards would provide own door housing at densities of 35-80 dwellings per hectare.

4. Uisce Éireann (UÉ)

UÉ outlined their investment prioritisation approach in terms of funding, local, regional and national policies and plans noting the NDP allocation of almost €6bn for UÉ to 2030. The main focus of UÉ's work current programme includes:

- Accreditation Scheme launched 18 months ahead of schedule on 24th June 2022 supported by IHBA.
- 25 contractors accredited to date.
- Completion of review of the connection charging policy
- Identification of options to address first-mover disadvantage - will take place in 2023.
- Given that there is a 2% headroom in water supply in Dublin and the GDA relative to other similar sized cities such as Lisbon (30%) and Munich (40%) the Water Supply Project for the Eastern and Midlands Region and the Greater Dublin Drainage is a priority noting its vital importance for the State. The implementation of this project will require support them through planning and development.
- The Service Level Agreement (SLA) with local authority staff was raised. UÉ noted that issues related to the movement to UÉ by LA staff are being progressed, and that circa 300 additional staff are required by the organisation.

5. OGP Update on CWMF (OGP)

The review of the CWMF will enable the delivery of sustainable assets under the NDP by: 1) Developing procurement and contracting strategies that prioritise quality solutions and support the most efficient means of delivery, 2) Embedding appropriate risk management measures within the project development, procurement and construction stages, and 3) Deploying digital solutions throughout the project delivery stages. There are four key CWMF review themes Quality, Cost, Risk and Delivery. Moving to a position where decisions are taken on the basis of the total cost of ownership rather than purely the capital cost is key to addressing embodied carbon and overall quality. The OGP noted that it will not be possible to make this transition without utilising the data handling capacity of BIM.

Revised cost reporting templates to be published under Pillar 3 of the CWMF. Cost templates will incorporate the International Cost Management Standard (ICMS). These will be extended to cover reporting on life cycle costs and life cycle analysis. Meetings held in March with professional representative bodies on guidance defining minimum requirements for project briefs. Workshops re. consultants' scope of services to be held in Q2 2023. In terms of the 'Delivery' theme, engagement is ongoing with the Build Digital Project on the development of a range of supports for client bodies with regards to setting BIM requirements in tenders.



On 21 March 2023 Minister Donohoe announced the introduction of a cap on liability in public works contracts and the standard conditions of engagement for consultants. The OGP has published the amended standard conditions of engagement as well as guidance on setting appropriate liability caps. It is their intention to publish an amended suite of public works contracts containing the caps and further amendments to the price variation clauses within Q2. ACEI, in reference to the CIC's recent correspondence seeking the introduction of net contribution clauses, acknowledged the response from the Department and noted their intention to respond on the points raised. Discussion followed around liability caps and price variation.

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

PENDR outlined the change to the department's name linked to the NDP Delivery remit. A package of significant actions aimed at enhancing project delivery for the NDP have been agreed by Government. The level of cost at which a new proposal is considered a major project has been raised from €100 million to €200 million, and major projects will be subject to review by PENDR and Major Projects Advisory Group (MPAG) at the Preliminary Business Case stage only. Under the reforms, the Public Spending Code, which sets out the approvals process for new projects, will be removed and replaced by a set of Infrastructure Guidelines. The CWMF will continue to work on rebalancing risk in the PWC while maintaining expenditure control. The Project Ireland 2040 Delivery Board will be reconstituted and will now be chaired by Minister Donohoe.

7. Any Other Business

DHLGH provided an update on the Residential Construction Cost Study (HfA Action 19.1) which is expected to be approved in the next two/three weeks. HfA committed to conduct an analysis of each component of the cost of construction of house and apartment development, informed by cost comparisons with comparable EU countries. The aim of the study is to support the reduction in residential construction costs and increased standardisation. Construction costs account for approximately 50% of delivery costs on residential projects. The final report sets out a number of recommendations and seven actions related to specification (standardisation, typologies and finishes), scope of works (ensuites, fixtures and fittings, white goods) and size. DHLGH will be seeking industry involvement in developing the policy on residential regulations/standards as a result of the cost study. Tom Parlon (CIF) noted that this will be his final CSG meeting as Director General. The Chair thanked Tom for his contributions to the CSG. He will be replaced by Hubert Fitzpatrick. Tom thanked the Department and the Chair for their ongoing efforts to maintain constructive engagement and dialogue between Government and the construction industry.

Action Points

No actions arising.

The next meeting will be held on **Thursday, 20th July 2023 at 11am.**