



## Construction Sector Group

Meeting 21 - 11am on 20<sup>th</sup> July 2023

TK Whitaker Room, Government Buildings, Upper Merrion Street, 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), Ciaran O'Connor (OPW), Paul Cotter (D/Finance), Joe Conway (CIF), Hubert Fitzpatrick (CIF), Shirley Coulter, Patrick King (SCSI), Charles Mitchell (OGP), Sean Armstrong (DHLGH), Eileen Hearne (D/Taoiseach), David Howard (BMF), Geraldine Larkin, Martin Searson (NSAI), Damien Owens (Engineers Ireland), James Kavanagh (ACEI), Shane Dempsey (CIC/ACEI), Kathryn Meghan, Pranash Ramanundh (RIAI), Hubert Loftus, Emma Leonard (D/Education), Liam Berney (ICTU), Neil Kerrigan (Enterprise Ireland), Seán O'Leary (IPI), Colm McHugh (Construct Innovate), Nigel O'Neill (TII), David Smith (SOLAS)

**Apologies:** John Coppinger (DTRANS), Owen Reidy (ICTU), Sarah Miley (DFHERIS)

### Minutes

#### 1. Minutes of meeting of 20<sup>th</sup> April 2023

The minutes of the meeting held on 20<sup>th</sup> April 2023 were agreed.

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

The work of the CSG Sub-group is progressing positively. The 4<sup>th</sup> July announcement of the timeline for Public Sector BIM Adoption commencing on 1<sup>st</sup> January 2024 was welcomed. From January 2024 consultants engaged to design and oversee the construction of public works contracts with a value of €100m will have Building Information Modelling (BIM) requirements included in their scope of service. Currently Ireland is at 3D (shape and size of building/infrastructure); the industry needs to adopt 4D - 7D. The work of the RIAI on the Construction Sector Circular Economy Roadmap is progressing. The final draft will go for external peer review from mid-August to mid-September. The 'Roadmap for increased adoption of MMC in Public Housing delivery' was published by DETE and DHLGH on 11<sup>th</sup> July. The roadmap provides recommendations for the advancement of MMC across the sector.

Construct Innovate team now fully in place, with over 35 new centre members on board. 7 projects related to Housing (AHARDD Programme Fund 2023) and 3 core research projects have started, to be completed by December 2023. Action 5 (Skillnet) has launched MMC Videos and the Digital Construction Pack. Micro-credential in Strategic Supply Management planned for September 2023 alongside second running of Micro-credential in Strategic Co-ordination and Collaboration for MMC. Action 6 (ePlanning) has rolled out Online Planning Portal to 23 LAs. Fingal and Dún Laoghaire Rathdown to pilot for APAS LAs from Q3 2023. Cork LAs to integrate in Q1 2024. Action 7 (Build Digital) held a colloquium on 16<sup>th</sup> June in CIF with over 50 industry representatives attending to re-examine the Build Digital deliverables and reconnect with the industry. BIM roadmap announcement on 4<sup>th</sup> July provides impetus to Project's work. New project partner for Build Digital under consideration. Discussion followed with the RIAI querying if there would be further changes to the condition of appointment in PWCs. The OGP referred to ongoing and further planned stakeholder workshops to discuss reforms. In addition, OGP and Build Digital Project have worked well in formulating requirements for BIM adoption.

#### 3. Construct Innovate

The Centre Manager for Construct Innovate (CI) began his presentation by explaining what CI is. CI aims to promote R&D and disseminate the best and most relevant innovations to those in the construction value-chain in Ireland. There are 57,000 construction companies in Ireland; 99% of which



are less than 50 people. This contributes to relatively low productivity (GVA output). Research is a new concept to many people in the sector, especially the SMEs. One challenge for the centre will be investment for research and innovation from the industry. The value proposition of CI is that it is an industry led centre for all, providing a platform for communication between companies, academia and Government. CI has a core research fund which funds industry led projects. 3 core research projects have started and will be completed by end 2023. A further 7 projects have commenced through the AHARDD programme fund which supports delivery of Housing for All. First Academic Industry Meeting day (AIM day) held in Galway on 30<sup>th</sup> May 2023; a workshop model where industry shared issues in the sector with academics. Further AIM days are planned. 8 member-led Working Groups have been established. Projects related to areas such as sustainable concrete and mass timber construction are ongoing. CI encouraged to liaise with DETE's Cement and Construction Sector Decarbonisation working group.

Discussion followed about the academic community engaging with industry. Enterprise Ireland and CI gave reassurance in terms of the structure of the Centre re. engagement with industry. CI was also asked about membership of working groups.

#### **4. Transport Infrastructure Ireland (TII)**

Nigel O'Neill (Director of Capital Programme, TII) gave a presentation on TII's work programme and delivery. A number of key bottlenecks to TII's capital programme were highlighted including slow progression of projects through planning, the need to further reform the PWC and procurement processes, risk sharing in PWCs versus NEC contracts, and lack of commercial interest from civil engineering firms in Ireland and the UK in major projects in Ireland. Examples of projects taking up to 15 years from concept to delivery discussed. There is an urgent need to decrease average project timeline; returning it to average 8 years which was the norm in the 2000s. There is a need to streamline the planning/consent process, and adjudicate planning and judicial reviews much faster.

It was suggested that the civil engineering sector has rejected the State's suite of standard forms of contract for use in the construction of high-complexity, high value public works. In addition, it was noted that the average length of time to progress through various decision gates of the project lifecycle can be 5 to 15 months. Delivery capability needs to be increased in TII and other State bodies to support NDP delivery. The Exchequer Funding of new national roads is expected to incrementally increase from 2026-2030. Recruitment of TII MetroLink Delivery Leadership Team required. The State must seek to ensure alignment between State bodies and State-owned enterprises to minimise conflicts.

Recent changes were acknowledged such as the revised approval process in the PSC, as provided for under Circular 06/2023. These changes could potentially speed up the process by up to 6 to 8 months. On the CWMF and PWC, many flexibilities recently introduced including greater price variation and liability caps. The CIC, CIF and OPW recommended that the points raised by TII be addressed as a matter of priority. It was also pointed out that the legal profession is benefitting from project challenges. The IPI noted there have been 36 amendments to the P&D Act 2000 since its enactment, and that planning authorities and An Bord Pleanála need further resources.

#### **5. DFHERIS Update on Skills**

David Smith (Director of Construction, Quality and Green Skills, SOLAS) provided an update on construction sector skills. The total construction sector workforce was 160,800 in Q1 2023. There were 1,200 apprenticeship certifications up to Q2 2023 (an increase of 21.6% on Q2 2022). Work ongoing to promote construction careers domestically and abroad. An additional 50,000 workers are required



up to 2030 to meet housing and retrofitting demands. Skills training delivered through further education and training (FET) through NZEB Centres of Excellence (four operational, three more planned in Cork, Dublin and Sligo), higher education, and microcredential courses by Skillnet. Over 15,000 craft apprenticeship training capacity in 2023. Reforms to the apprenticeship system were highlighted such as the establishment of the National Apprenticeship Office and Alliance, expanding CAO to include apprenticeships, and the increasing role of Technological Universities as training centres for apprenticeships. Target of 10,000 apprenticeships across all (craft and non-craft) programmes per annum. Apprenticeship registrations continued to increase in 2022 with 8,286 new registrations across 66 craft and consortia programmes. 2023 craft registrations up 12% on 2022 to end May, non-craft up 25%. ICTU noted the relatively low wages for young apprentices, and consortium-led apprenticeships. ICTU also queried the very low uptake of wet trades in recent years.

Outreach to schools through mobile MMC rig, and curricular changes. Productivity and innovation challenges within sector are being worked on with actions across Government (coordinated by CSG and Housing for All Industry Capability Group) bringing together Departments, agencies, industry and professional bodies. A new Action Plan to Promote Careers in Construction, with plans for international recruitment events, has been developed by DFHERIS (HfA Action 13.4). The Plan includes 20 actions aimed at effectively addressing the identified barriers to careers in construction.

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

The NIO gave a brief update on ongoing work. Build Digital Project (BDP) held a colloquium on 16<sup>th</sup> June 2023, hosted by CIF. The event was attended by representatives from the CIF, RIAI, ACEI, SCSi, BMF, and Engineers Ireland, amongst others. Over 50 industry representatives attended the event to re-examine the BDP deliverables and provide insights on what the industry requires. Circular 06/23 issued re. changes to Capital Appraisal Guidelines, Infrastructure Guidelines to follow. Second meeting of reconstituted Project Ireland 2040 Delivery Board held on 12<sup>th</sup> July. Prospects 2023 to be published end July 2023. PI 2040 Annual Report and Regional Reports 2022 finalised and expected to be published in August 2023.

#### **7. Any Other Business**

It was suggested that the notice period from Departments/agencies requesting professional bodies to nominate members to join working groups be increased. Earlier notice than the current 1 to 2 weeks is required, so that professional bodies can request and confirm members to join such groups.

**Action Points** - No actions arising.

*The next meeting will be held in October (exact date to be determined).*