

Minutes of the eighth Meeting of the Construction Sector Group

19th June 2020



Conference Call

Present

Robert Watt (Chair, DPER), Ronnie Downes (DPER), Sarah Ingle (ACEI), Conor McCarthy (ACEI), David Howard (BMF/IBEC), Tom Parlon (CIF), Pat Lucey (CIF), Shane Dempsey (CIF), Caroline Spillane (Engineers Ireland), Liam Berney (ICTU), Orla Purcell (IPI), Conor Norton (IPI), Kathryn Meghen (RIAI), Patrick King (SCSI), Micheál Mahon (SCSI), Shirley Coulter (SCSI), Kevin Daly (DBEI), Alan Power (DBEI), Philip Nugent (DCCA), Julian Pringle (DES), Valerie Kirwan (DES), Phil O'Flaherty (DES), Jim Curran (HSE), Maria Graham (DHPLG), Sarah Neary (DHPLG), Ray O'Leary (DTTS), John Shaw (DoT), George Burke (DoT), David O'Brien (OGP), Gearóid O'Keeffe (DPER), Ciara Morgan (DPER), Eoin Dignam (DPER), Margaret O'Donnell (DPER), Fionn Jenkinson (DPER), Struan Charters (DPER), Christina Mohan (DPER), Gerard McGuinness (DFINANCE), Owen Joyce (DFINANCE), Declan McGee (Enterprise Ireland – Agenda item 3), Gearoid Mooney (Enterprise Ireland – Agenda item 3), Neil Kerrigan (Enterprise Ireland – Agenda item 3).

1. Minutes of meeting held on 22nd May 2020

The minutes of the last meeting were agreed.

2. Updates on Reopening (Industry)

Industry members provided a short overview on progress made since the reopening, learnings and the medium term expectations in terms of the capacity of industry to deliver on projects for each of their respective organisations.

IPI – The IPI welcomed the return to normal planning activities and acknowledged the supportive and collaborative relationship they had with DHPLG during the lockdown period. The digitisation of planning applications and the further digitisation of the planning system were also welcomed. The IPI noted that a second online CPD programme has been rolled out to planners, which looks at the contribution planning and planners will make to the recovery. In terms of the new Programme for Government (PfG), the IPI are pleased that it supports Project Ireland 2040 and retains the RRDF and URDF funds. However, the IPI raised concerns around more general issues, such as planning at local level and resourcing it.

SCSI – SCSI noted that their survey indicated that key challenges include drops in workload and productivity and that a lot of members are considering investing in digitisation and automation. As an update from the last meeting, SCSI confirmed that there has been no escalation in legal disputes and that they continue to actively engage to resolve them locally. The SCSI explained that they will have an update on detailed costings of building houses in the next few weeks. It was also noted that more focus and support is needed for adoption of quicker methods and that project viability and financing issues are becoming more challenging.

ACEI – ACEI confirmed that workers have returned to work and that most sites are open, with Saturday site openings taking place in some cases. There are some delays in timelines with associated reductions in productivity and physical distancing issues will cause delays on confined sites. ACEI

reflected on the importance of building confidence in the private sector and the need for Government to lead on progressing capital projects and funding Local Authorities accordingly.

Engineers Ireland – EI noted that many of their members were classified as critical services during the lockdown phase and many continue to work remotely. The need for clarity on the pipeline of projects in the context of the PfG, NDP review and National Economic Plan; the enduring issue around capacity; and the issue of upskilling, reskilling, and promoting entry into engineering profession were all raised. EI noted that they have had good engagement with the Expert Group on Future Skills Needs on the kind of skills required in the longer term.

BMF/IBEC – It was noted that the majority of manufactures are operating at near-normal capacity, however, social distancing restrictions is impacting operations. Industry are also responding to earlier/later time requests for deliveries to facilitate expanded operating times. In terms of the medium term, BMF/IBEC is of the view that there is capacity to deliver all planned projects but that uncertainty in the general economic environment is a concern.

CIF – CIF noted that the feedback thus far has been positive. In terms of health and safety, the monitoring of standard operations is continuing and there has been a number of on-site inspections but feedback has been positive. CIF asked for an update from the OGP as concerns remain around the disparity in the levels of engagement on public works contracts compared to that in the private sector. CIF also welcomed the ongoing political commitment to Project Ireland 2040 and advocated the acceleration of projects and the necessity of having a future pipeline of projects to sustain industry. The option to deliver Safe-Pass training courses online in tandem with traditional delivery to resolve the backlog issue was discussed. CIF have had an initial meeting with DES and SOLAS and a follow-up meeting is planned to progress the matter. However, ICTU was concerned about moving the training online while CIF suggested that it could be done on a pilot basis. In terms of levels of productivity, CIF noted that it is improving as the weeks go by.

RIAI – RIAI is of the view that industry has adapted quite well to new work practices and welcomed the recent public tenders. RIAI also acknowledged that Planning Authorities appear to be working through the backlog quite quickly. RIAI shared concerns about confidence in the market, potential layoffs as a result and the impact on productivity and innovation, and the social distancing of 2m.

In summing up, a conversation ensued on the level of workers back in employment, with CIF estimating that 80-90% are back at work. Based on this projected number, DoT queried the number still on the Pandemic Unemployment Payment. In relation to the Safe-Pass, ICTU further pointed to particular reservations about moving the methodology out of the classroom and not undermining the good progress made over the last few years. DES noted that the situation of the backlog has the potential to create problems for industry and training providers, but recognised that moving the Safe-Pass online is not entirely straightforward in terms of the cohort of people engaging with it and that more consideration is required.

Action Points

- OGP to finalise further guidance for contracting authorities.
- Industry to communicate to members the requirement for those returning to work to come off the Pandemic Unemployment Payment and remind them that the Wage Subsidy Scheme is available.

3. Centre of Excellence (Enterprise Ireland)

Enterprise Ireland provided a broad overview of the proposed structure for the new Centre of Excellence. The presentation included a high level review of the current national construction research, development, innovation, education and training ecosystem, as well as an overview of how technology centres operate and are structured. The existing capacity within the system and direction of travel for the centre was also discussed, including the existing technologies available, as well as those to be built. Matters such as: target user of centre; if there is a capital element to budget; whether focus is National economy or Export economy; have all agencies with a construction element been identified; governance and promotion; location and people (board, chair, director, etc.) have yet to be defined. The presentation also included a schedule of the actions to be completed. It was also noted that the general scheme takes a central and coordinated approach to ensure that a fit for purpose centre is established and to make sure that the structure is aligned based on construction needs.

Based on the presentation it was decided that Enterprise Ireland would go ahead and scope, plan and progress the establishment of a Technology Centre for the Construction Sector, recognizing that there will be a budget requirement to do so and industry funding will be required.

In addition, CIF suggested that potentially a third level institution with strong expertise and skills in construction could act as host. In concluding, there was a discussion on the need to identify and fund a resource/structure to co-ordinate the actions listed under the Building Innovation Report's "Actions on innovation and digital adoption".

it was suggested that quick progress should be made, by way of quick engagement/bi-lateral meetings.

Action Points

- Enterprise Ireland to engage with stakeholders on a bilateral basis followed by a meeting in two weeks' time.

4. Project Ireland 2040 Update (DPER)

The research on productivity in the Construction Sector was published on the 29th May and the Building Innovation report was launched on the 18th June. DPER have circulated the template for monitoring actions to the leaders and outlined delivery timelines. In terms of the review of the National Development Plan, DPER are awaiting approval of the PfG. Consultation will commence, following approval of the PfG and the timeline for completion is July.

Action Points

- DPER to revert in due course re Review of the NDP.

5. AOB

No additional items were discussed under AOB.