

## Ireland's Construction Sector: Outlook and Strategic Plan to 2015

### 36 Action Points

No.	Action	Responsibility
<b>Removing obstacles and restoring confidence in the domestic market</b>		
1	PPP and exchequer financed capital projects now scheduled for progression in the Government's Public Capital Programme and Stimulus package should proceed without delay.	DPER, NDFA & relevant Govt. Departments
2	Where there is uncertainty about future sources of finance for major PPPs it is important that initial planning/design work proceeds in order that projects can be activated at the earliest possible juncture.	DPER & relevant Govt. Departments
3	It is critical that efforts being made to identify other potential sources of private investment, and how they will operate (including Irish pension funds) are brought to a successful conclusion so that the current programme of capital investment may be delivered without harmful delay <sup>1</sup> .	Dfinance & DPER
4	Prioritise other additional projects (including some which were deferred) that will deliver productive returns to the economy as soon as financing options are identified.	DPER
5	Ensure that the future potential for energy retrofitting is realised through accelerated implementation of effective incentive mechanisms under development by the Department of Communications, Energy & Natural Resources in partnership with the private sector.	DCENR
6	NAMA and IDA Ireland should continue efforts to encourage development of suitable office solutions in the Dublin area to meet anticipated FDI demand, and where appropriate, direct existing and future developer finance initiatives towards meeting medium-term supply shortages.	NAMA, IDA Ireland
7	Ensure that appropriate financing mechanisms are available so that the building requirements associated with anticipated FDI investments are adequately catered for in Gateway locations, particularly in relation to attracting the next wave of manufacturing investment.	DJEI

<sup>1</sup> The NDFA (working with the Department of Public Expenditure and Reform and other relevant Departments) is continuing to engage with multilateral funders in order to maximise the availability of cost-effective funding for Irish infrastructure. DPER is actively engaging with EIB in relation to their support for projects. Engagement has also commenced with the Council of Europe Bank

8	It is anticipated by the PSRA that the commercial leases database will be put in place during the early part of 2013 and that it will contain data relating to leases entered into after 3 April 2012 <sup>2</sup> . Given the dearth of property related data in Ireland, it is essential that this target is adhered to. The possibility of extending the database to cover the purchase of commercial property should also be considered.	Property Services Regulatory Authority
9	Include performance bonds in the construction sector as part of the review of trade financing to be undertaken by DJEI in 2013.	DJEI
10	Continue to communicate NAMA strategy to the extent possible, recognising that an appropriate balance must be maintained between fostering market certainty and protecting commercially sensitive information in the interests of maximising returns to the Irish taxpayer.	NAMA
11	<p>The on-going review of Development Management Guidelines is welcome and represents an opportunity to address any inconsistencies, inefficiencies and lack of transparency within the planning system currently; it is critical that:</p> <ul style="list-style-type: none"> <li>▪ the process involves engagement with users of the system to facilitate necessary enhancements;</li> <li>▪ the revised guidelines have adequate statutory underpinning to ensure that they are applied in practice and in a consistent manner;</li> </ul> <p>and where unnecessary constraints to development are identified that are outside the current scope of the Development Management Guidelines, and require legislative change, they are urgently addressed.</p>	DECLG
12	Preserve and continue to advance on progress achieved to date in bringing increased coherence and statutory weight behind the forward planning process, as implementation of the extensive structural changes to Local Government envisaged under 'Putting People First' proceeds.	DECLG
13	In order to reduce the unnecessary regulatory burden and costs (to both State and applicant), introduce integrated approval processes with respect to major infrastructure projects and make a single authority responsible for granting approval to commence construction. The proposed approach to integrating the foreshore consent process within the planning system is an important step but needs to advance more rapidly.	DECLG
14	<p>The proposed development of a successor to the National Spatial Strategy is welcome and should proceed with due consideration of the following:</p> <ul style="list-style-type: none"> <li>▪ The core principles of the NSS should be retained; and</li> <li>▪ The NSS successor should be placed on a statutory footing.</li> </ul>	DECLG

<sup>2</sup> PQ Response by the Minister of Justice, Equality and Law Reform [33354/12], 10 July 2012

15	Review and refresh the on-going construction procurement reform programme, to include a more comprehensive agenda, in consultation with the construction sector. Designate a senior official within the Department of Public Expenditure and Reform to lead the process.	DPER
<b>Driving further internationalisation</b>		
16	Undertake, with the involvement of both Government and Industry stakeholders, a review of the current contract for public works and implement any changes if required to ensure fair and reasonable terms for all parties involved, and at the same time maintain the achieved levels of price certainty which are of benefit to all parties <sup>3</sup> .	DPER
17	Actively promote increased participation on long and short-term Client Management Development Programmes facilitated by Enterprise Ireland, with a particular emphasis on the <i>Management4Growth</i> programme and continue to support strategic company development through the <i>Business Accelerator</i> programme and Strategic Consultancy.	EI
18	Actively promote increased construction firm involvement in Enterprise Ireland's 'Marketing Sales Strategy Review' process.	EI
19	Develop and roll out a programme of construction sector specific workshops covering legal and other technical issues that firms encounter in overseas markets.	EI
20	Build on the emerging cluster of state organisations who have engaged with Enterprise Ireland and have developed /are developing an international aspect to their overall role and support them in developing a compelling value proposition to internationalise their offer.	EI & Relevant State Bodies
<b>Embedding competitiveness and innovation</b>		
21	Introduce waivers/50 percent reduction in Local Authority development levies in line with current DECLG guidelines, in the context of the changed economic circumstances, the need to remain internationally competitive for investment, and the reduced cost of delivery of the required infrastructure for which levies are charged <sup>4</sup> .	Local Authorities/DECLG
22	Local Authorities should develop more robust and transparent charging mechanisms for Local Authority charges in accordance with the economic cost of providing development, arising from the new guidelines on development contributions and acknowledging that the adoption of	Local Authorities

<sup>3</sup> As of April 2013, the Minister for Public Expenditure and Reform has indicated to industry representative bodies that a review will be undertaken following a recommendation from the Government Construction Contracts Committee (GCCC). The Department of Public Expenditure and Reform is currently considering the format and timescale for the review

<sup>4</sup> New *Development Contribution Guidelines* were published by DECLG in January 2013, available at <http://www.environ.ie/en/Publications/DevelopmentandHousing/Planning/>

	development contribution schemes is a reserved function of the elected members of each planning authority.	
23	Continue promotion of the Enterprise Ireland Lean Start programme and advance construction companies onto the following stages, Lean Plus and Lean Transform.	EI, Industry Rep. Bodies
24	Work with industry organisations to promote the use of Building Information Modelling (BIM) and develop the appropriate technical skills amongst Irish construction firms so that they can successfully compete in markets where BIM is widely adopted or a requirement.	EI, Industry Rep. Bodies, HEIs, Skillnets
25	Accelerate engagement by construction sector firms with third level institutes and continue to promote available programmes including innovation partnerships and innovation vouchers to support R&D projects in collaboration with the third level sector.	EI, Industry Rep. Bodies, HEIs
26	Ensure that construction related researchers and the industry are engaged with the research prioritisation implementation process such that the needs of the sector are understood, current research strengths are recognised, and gaps in research capacity are identified.	DJEI, Enterprise Agencies & Industry Rep. Bodies
27	Launch a public sector pilot Market-Led Clustering Programme to stimulate collaboration between Irish based construction sector firms, other relevant industry sectors and the research community that would act as a demonstrator internationally of Ireland's capabilities in pre-commercial product and service development, servicing national level policy goals particularly in the context of the Current National Reform Programme (especially Climate Change targets). Such a project should encompass activities through from applied research to pilot production (e.g. smart infrastructures or smart homes).	DJEI & other relevant Govt. Departments
28	Develop and implement an awareness/advertising campaign to communicate the issues and to highlight the positive impacts of a reduction of shadow economy activity on the Irish economy, jobs and society, as well as the negative consequences of dealing in the shadow economy for the consumer personally, utilising the construction sector as a key example.	Revenue, DSP, DJEI & Industry Rep. Bodies
<b>Skilled to deliver</b>		
29	Ensure that the review of the apprenticeship model recently initiated by the DES results in a model that can provide for the future needs of the construction industry in the context of a return to increased activity levels, and has an appropriate level of flexibility to deal with the cyclical nature of the sector (and apprenticeship registration) over the longer term.	DES, Industry Rep. Bodies

30	Ensure that the Build-Up Skills Ireland initiative progresses through to implementation of the road-map and actions to address skills gaps relating to the 'greening' of construction.	DES & DJEI
31	Undertake targeted promotion of the Skillnets pilot <i>ManagementWorks</i> management development training initiative for SMEs to the construction sector to maximise take-up from the sector which is currently low.	Skillnets, Industry Rep. Bodies
32	Ensure that all construction related undergraduate courses include compulsory modules relating to international business/sales and government tendering (in Ireland and overseas).	HEIs
33	Continue international graduate placement programmes that have received a strong industry endorsement including the Enterprise Ireland Graduates for International Growth programme, IBEC Export Orientation Programme and Farmleigh Fellowships, and actively promote to the construction sector.	EI, IBEC, Industry Rep. Bodies
34	Work with the Construction Enterprise Clearing House <sup>5</sup> to facilitate a coordinated approach to defining the construction skills development agenda.	DES, SOLAS, Industry Rep. Bodies
<b>Effective governance</b>		
35	<p>Establish a <i>Construction Enterprise Clearing House</i> (CECH) - comprising senior officials from the key Government Departments (DJEI, DECLG, DPER, DFinance) and industry representatives from the main construction sub-sectors, and Enterprise Ireland. The CECH chair will be a matter for Government decision, and a joint chair is recommended. The CECH will inform on-going development of the sector and the coordination of relevant policies.</p> <p>The actions contained in this report will form the basis for an initial agenda for the CECH<sup>6</sup>.</p>	Government
36	Re-establish centralised collection and analysis of appropriate data indicators (previously undertaken by DECLG) which will facilitate effective monitoring of construction sector output with reference to optimum sustainability levels.	CSO, DECLG

<sup>5</sup> See Action 35 below in relation to the establishment of a Construction Enterprise Clearing House (CECH)

<sup>6</sup> Engagement with other EU member states in relation to the 'Strategy for the sustainable competitiveness of the construction sector and its enterprises' and emerging initiatives will also be an important consideration for the CECH; see Appendix 9