



Guaranteed Irish
All together better

**Position Paper on the Steps Needed
to Generate a Sustainable Solution
to Ireland's Housing Demand**

September 2018

Introduction

Guaranteed Irish is a business membership organisation championing 500+ homegrown and international businesses in Ireland. We award the Guaranteed Irish symbol to companies which create quality jobs, contribute to local communities and are committed to Irish provenance.

Guaranteed Irish has designated September as 'Construction Month' and, throughout the month, is highlighting the contribution its construction industry members make to Irish jobs, local communities and the Irish economy.

Members of Guaranteed Irish in the construction, manufacturing, hardware and DIY sectors include Irish Cement, Tegral Building Products, Wavin, Kingspan Insulation, Saint-Gobain, Combilift, Celuplast, Dulux, Kilsaran, Roadstone, Irish Fencing Services, Clogrennane Lime, Fleetwood Paints, and Camfil.

As part of Guaranteed Irish Construction Month, Guaranteed Irish held a roundtable discussion on generating a sustainable solution to Ireland's housing demand.

The roundtable discussion was held under the Chatham House Rule. The discussion was attended by Damien English TD, Minister of State at the Department of Housing, Planning and Local Government, with special responsibility for Housing and Urban Development, and chaired by Paddy Kelly, Managing Director of Tegral Building Products, and Vice Chairperson of the Board of Directors at Guaranteed Irish.

The other panellists were:

- Tom Parlon, Director General, Construction Industry Federation;
- Aoife Brennan, Director of Research, Lisney;
- Jim Gannon, CEO, Sustainable Energy Authority of Ireland;
- Conall Mac Coille, Chief Economist, Davy.

This position paper sets out the key issues identified during the discussion, as well as the recommendations emanating from the event. Three main recommendations to generate a sustainable solution to Ireland's housing demand emerged:

1. Utilise innovative solutions to meeting Ireland's housing demand through additional integrated social and affordable housing
2. Promote skills, apprenticeships and careers within the Irish construction industry
3. Reward businesses which demonstrate a commitment to reducing Ireland's carbon footprint through public procurement

Each of these recommendations is addressed in further detail below.



Recommendation 1: Utilise innovative solutions to meeting Ireland's housing demand through additional integrated social and affordable housing

Issues and Solutions:

1. *Local authority land is not being made available for house building quickly enough.*
 - There is an urgent requirement for an audit of old housing stock/vacant derelict buildings by Local Authorities and recommencing the occupation of these accommodations, such as over business premises, thus putting life back into communities.
 - The immediate removal of red tape to build new houses on existing land banks, with dedicated timeframes and KPIs.

2. *There is a lack of funding for local authorities to increase pace of building social housing, and a lack of skills in local authorities in the area of rapid housing construction.*
 - Funding to increase the pace of building by Local Authorities must be authorised by Central Government.
 - Rapid house construction must become a priority. Staff with expertise in this area must be introduced in Local Authorities, while existing staff must be trained in the area.

3. *The costs associated with new builds makes it prohibitive for small builders. Access to finance is challenging due to a lack of confidence in construction sector e.g. banks not lending. In addition, many builders are not making enough of a profit margin on private housing. Therefore, many builders concentrate their efforts on other/larger corporate ventures.*
 - Banks need to be encouraged by the Government to recommence the financing of small solvent building businesses throughout Ireland. Consideration in loan security must be given to more innovative building solutions (premanufactured parts, part manufactured buildings, and rapid build engineering) to create an incentive to small builders.
 - A departmental review of social housing specification standards and costs for new builds needs to be undertaken in order to incentivise small to medium sized builders.
 - The Government could create schemes to incentivise private housing through the granting of building licences.

Recommendation 2: Promote skills, apprenticeships and careers within the Irish construction industry

Issues and Solutions:

1. *The costs associated with employing apprentices for businesses is prohibitive and the apprenticeships take too long. Apprentices have low pay and limited responsibilities in the first one to two years of employment.*
 - Reduce timeframe of apprenticeships by one year - from three/four years to two/three years. This can be done without any impact on the quality of graduating apprentices. There is also an option to introduce a shared apprenticeship scheme between small builders/engineering companies to reduce costs.
2. *New skills and training are needed to meet current and future industry requirements. Skills gaps are evident across all construction trades, e.g. 'wet trades' such as plastering. New trade qualifications/apprenticeships (e.g. QQI) desired by the industry are being delayed by too much red tape.*
 - Bodies such as QQI to work with industry to modernise apprenticeship courses as per immediate and future market needs. QQI to provide user-friendly information on how to establish new training for trades and to establish and promote new courses in a timely fashion.
3. *Trades are perceived as unattractive career choices and there is a lack of confidence in the sector due to the recent crash, resulting in a poor pipeline of talent.*
 - The Government could dedicate a budget to run an awareness campaign targeting school leavers to take up a trade [also to educate career guidance professionals and parents] and to promote apprenticeships as entrepreneurial careers.
 - Highlight initiatives already in place such as Construction Workers' Pension Scheme to attract more talent and create a new wave of those interested in a career in skilled trades.
 - Create more awareness around the positives associated with the construction industry in terms of employment numbers, contribution to GDP, sustainable planning in the industry, and the role of the construction industry in building a country fit for purpose for the future (National Planning Framework: Ireland 2040 Our Plan).
4. *A reduction in the numbers of migrant workers from Eastern Europe coming to work in the construction industry in Ireland due to strong performance in the construction industries in Poland, Czech Republic, etc.*

- Campaign to attract construction workers from UK (in light of Brexit) to increase pipeline of talent could be considered.
5. *Time period for securing work permits is too lengthy.*
- Allocate more resources in the Department of Business, Enterprise and Innovation to process work permits to reduce the waiting time from three months to two weeks.

Recommendation 3: Reward businesses which demonstrate a commitment to reducing Ireland's carbon footprint through public procurement

Issues and Solutions:

1. *The public procurement process is too complicated and lengthy. Pricing is weighted over delivery time when awarding contracts.*
 - Reward companies which demonstrate a commitment to reducing Ireland's carbon footprint by giving them a 10% weighting in any public procurement process. Consider project delivery (time) and reduced transport costs over pricing as a measure to increase the pace of house building to meet demand.
2. *Ireland and its construction industry is facing a huge carbon tax in next few decades. There is a lack of enforcement by authorities in the area of waste recycling. There is also a perceived lack of planning for the upcoming tightening of laws around construction and demolition waste.*
 - Construction industry to encourage an enforced 'specific-skip scheme' for specific waste, whereby each recyclable material has its own skip.
 - Enforcement also required by the Government to incentivise construction companies to recycle properly. This will reduce the volume of waste going into landfills as well as have the effect of lowering emissions.
 - There is an option to introduce mono cell landfills – currently unavailable in ROI/Northern Ireland.
 - EPA licence for waste disposal needs to be made more readily available.
3. *Two million homes will require retrofitting by 2050 and there is a lack of planning and skills to achieve this. As retrofitting is an expensive process, profit margin is seen as an issue by builders.*
 - A financial retrofitting package/loan could be introduced by the Government via banks to incentivise small construction businesses to upskill in retrofitting buildings.
 - Similarly, an incentive programme to drive consumers to have their home retrofitted via a new 'home-rating improvement grant scheme' (and a campaign to encourage homeowners to get their home retrofitted within a dedicated timeframe) should be introduced.

- Furthermore, a change could be implemented to allow the retrofitting of a building to be determined as an asset by banks, having subsequent benefits for homeowners (e.g. increasing loan-to-value of their home).
 - Training initiatives in retrofitting for construction workers could be introduced via apprentice training modules.
4. *Tree planting targets are not being met. In 1996, the Irish government produced an afforestation programme, 'Growing for the Future, A Strategic Plan for the Development of the Forestry Sector in Ireland'. This programme set national planting targets of 20,000 hectares (ha) per annum from 2001 to 2030. This target was subsequently reduced to 10,000 hectares per annum. However, even these reduced targets are not being met. In 2017, just over 5,500 hectares were planted, a reduction of 15% on the 2016 figure.*
- Return national planting targets to a minimum of 10,000 hectares per annum with additional planting to cover missed targets in recent years.

Conclusion

Guaranteed Irish will progress these issues in the following ways:

1. Engagement with elected representatives to present the feedback and recommendations from our construction industry members, and to highlight the role Guaranteed Irish and its members can play in generating a sustainable solution to Ireland's housing demand.
2. Meetings with relevant stakeholders to brief them on the current activities of and challenges facing Guaranteed Irish construction sector members in contributing to solving Ireland's housing demand, and to explore the potential for collaboration in formulating solutions.
3. Awareness-raising: ongoing public relations activities to highlight the issues affecting our construction-industry members and to demonstrate the key role they can play in addressing current challenges in Ireland's housing supply.

Further Information

Guaranteed Irish

1 Fitzwilliam Place, Dublin 2.

Tel: 01-6612607

Email: info@guaranteedirish.ie

Website: www.guaranteedirish.ie

