



**Briefing Paper for meeting with Minister for Infrastructure, Nichola Mallon,
on Tuesday 27th April 2021**

Minister,

MPANI greatly appreciate this opportunity to meet with you at this time of unprecedented challenges and thank you for taking the time. Today I am joined by our Chairman, Simon McDowell, Director Kilwaughter Minerals Ltd, and our vice Chairman Paul Brogan, Managing Director McQuillan Group of Companies.

Introduction

Founded in Northern Ireland in 1998 the Association now represents 95% of aggregate production in the Province. Our membership includes major, medium and smaller sized companies. The Association represents companies engaged in the supply of primary aggregates; the processing of recycled and secondary materials; the production of downstream processed products such as asphalt, lime, mortar, ready-mixed concrete, precast concrete and road surfacing contracting. The member companies supply these essential products mainly in NI but also export to ROI and GB. Please take time to view our recently produced short industry video through the link [Proud of our Past. Embracing our Future on Vimeo](#)

Current Issues

Structural Maintenance Funding

As you are aware our Association has a long and valued working partnership with Roads and Rivers and a number of agencies within DfI. I would want to assure you Minister of our own disappointment and frustration at the recent

legal challenges to ARW1, ARW2, ARW 4 and ARS2. This disappointment and frustration are compounded by the fact that we have worked hard over the past number of years to improve the procurement process through our partnership work with the Department and our Association has been vocal in calling for increased investment in structural maintenance funding.

As a responsible Trade Association, we cannot and will not get involved in legal cases that involve procurement challenges, particularly as in this case, where we have MPANI Members taking the challenge and other Members are negatively impacted by it. Our only position at this time, without knowing the reasons for the legal challenges, is to encourage the Department to resolve the dispute as quickly as possible for all concerned as it is not in the public interest to have no operational maintenance contracts in a number of Council areas.

As and when the challenges reach a conclusion, we would encourage the Department to look into the primary reasons for the frequent occurrence of such legal challenges to determine if a fundamental review of the approach to the procurement of Term contract work is required. MPANI would commit to constructively engaging with the Department in any such review.

We would congratulate the Minister in securing a substantial indicative SM budget of around £120 million for this coming financial year. This is the highest starting level ever and hopefully we will be in a position to get it, and hopefully any other additional allocations, spent in the areas where it is most needed. It is of course unfortunate that this year's budget is only for one year and not a multi-year budget that we had all hoped for.

Road Worker Safety

MPANI and DfI R&R have an established "Health and Safety at Roadworks Group" who meet quarterly to discuss all matters relating to safety at roadworks for both road worker and road user. Notable initiatives have been

1. Bi annual Road Worker Safety Social Media initiative in partnership with Road To Zero and the PSNI Traffic Branch.
2. Review of various agreed protocols in relation to work in the vicinity of overhead and underground services.

3. Regular monitoring of Build-safe reports to action learning opportunities in relation to safety at roadworks.
4. Management of covid risks on road work sites.

In March of 2020 our construction materials industry took the appropriate and sensible step to withdraw their work and services in order to protect and allay our employee's fears and the fears of the general public. At the height of the lock down we had fallen to about 15% of normal activity with almost 80% of employees furloughed, 10% were working from home and the remainder were working to provide essential supplies to the farming Industry, ongoing health and COVID-19 projects, utility repairs and road maintenance.

The shutdown time was not wasted however and the Industry, collectively and individually, set about reviewing risk assessments on every activity and developing new safe working methods. MPA Nationally and MPANI locally have throughout the pandemic been advising and informing our Members about managing the covid risks and mental health impacts. You can view these resources, that have gained significant acclaim, at the Safe Quarry Website at [COVID 19 MPA Guidance \(safequarry.com\)](https://safequarry.com)

Water and Sewerage Infrastructure

As an Industry supplying essential materials to ensure the maintenance and development of our water and sewage infrastructure, we fully support the efforts you and the department are making to secure further investment and inform the wider community about the vital role the network plays in facilitating further economic development, housing, a clean environment and improving resilience against climate change.

Energy Transition

MPANI is currently working with a number of organisations in the public / educational / private sectors as we embark on the energy transition journey. We are committed as an Industry to do our bit to achieve zero carbon emissions by 2050. Given the clear evidence from around the world, but mainly in the polar and equatorial regions, showing the impact of climate change the argument for doing nothing has long since passed. The ever-increasing speed of change of technology means we are at the beginning of a new Industrial Revolution driven by energy transition that will undoubtedly

transform many traditional industries such as minerals and the manufacture of construction materials. The technology is now available and developing that will mean many industrial operations, including quarrying, can become energy independent and carbon neutral by using renewable wind not only to power its day time operations but then to use the that wind energy at night to manufacture and store its own hydrogen energy by having an electrolyser on site. This on site produced energy can then be used to not only fuel other on-site operations and mobile plant but also any transport fleet used to supply materials to customers.

Planning Review

MPANI recognise it was the intention of the Department to commence the Review of Old Mineral Planning Permissions in Part 4 Chapter 4 of the 2011 Planning Act but the decision was taken to delay its introduction due to the unprecedented economic impact of the recession at that time. This decision was supported, at that time, by our Association. It is, and has been since the end of the recession around 2014, the MPANI view that the Department of Infrastructure along with the Planning Departments of the local Councils need to bring forward the necessary legislation to enact the implementation of a ROMPs system or equivalent as soon as possible. Such a move will,

- Ensure that every mineral operation is governed by modern environmental conditions.
- Ensure a level playing field for compliance for all operators in Northern Ireland.
- Give added protection to the environment and protect the amenity of those living close to mineral operations.

MPANI have been striving, in the current absence of such a review mechanism, to encourage all of our members to have their sites EIA and Habitats Assessment covered. This can be achieved when they are applying for additional extensions by “drawing the red line” around their whole site to include it in any environmental assessment therefore ensuring adoption of modern environmental standards. We believe there is an opportunity to establish a review system that all stakeholders can have confidence in. While having modern planning and environmental conditions applied MPANI would like to see a review mechanism that has the principles of responsible sourcing

of construction materials built into it and that is supported by all public sector procurement, including local councils. Such a mechanism would recognise if a company / operator has the following;

- Health and Safety Management System.
- Environmental Management System.
- Quality Management System.
- Would recognise the operator's compliance record with statutory Agencies.
- Is a Member of MPANI and the Good Neighbour Scheme.
- Partnerships with local community groups / charities / NGOs etc.

MPANI also believe that clients such as the Department for Infrastructure have the power through their procurement policy and practices to;

1. Incentivise de-carbonisation in Industrial Processes and Transport.
2. Environmental performance of suppliers to government is built into procurement policy.
3. The need for trained, knowledgeable and competent regulators.
4. Setting binding targets for Biodiversity Net Gain and creating Natural Capital.

Our main concern is the experience our Members have with significant delays at each stage of the development management process as a result of:

- Validation delay;
- Statutory consultee failure to adhere to timeframes for consultation; and
- The absence of a statutory timeframe for the determination of planning applications

In summary MPANI wish to see;

1. Establishment of a review mechanism to ensure that environmental conditions on mineral sites are kept up to modern standards.
2. Establishment of a local Council shared service for the management and processing of Mineral Planning in NI due to its unique complexity.
3. Implementation of the recommendations of the Irvine Report on the role of statutory consultees.

4. Continuing capability and knowledge building through the Environmental Governance Initiative.
5. Adequate resourcing of the pre-application community engagement process.

Infrastructure Commission

MPANI submitted evidence to your expert panel on establishing an Independent Infrastructure Commission and we are fully supportive of it.

The problems encountered in delivering major infrastructure projects in Northern Ireland has generated significant frustration, not just within the construction industry, but also across the wider business community and general public. Whether it be environmental challenges, local community challenges, procurement challenges or sometimes project costs being undervalued we must do better. The recent NI Audit Office enquiry into the delivery of major infrastructure projects in Northern Ireland was very critical. They said “Existing, cumbersome governance and delivery structures within the Northern Ireland public sector can be a barrier to achieving value for money”. NIAO state “there is merit in considering alternative models, sufficiently resourced with specialist staff, to help improve future delivery”.

In 2012 during a consultation on the procurement process both the Construction Employers Federation (CEF) and the Mineral Products Association NI (then QPANI) called for the establishment of a Specialised Construction Project Delivery Unit. This unit would be similar to the Scottish Futures Trust and the Republic of Ireland's National Finance Delivery Agency (NFDA). The role of this specialised unit would be to take projects from Departments that have been approved, budgeted, and decisions agreed of when and where the project is to be built. The specialised unit, populated by experienced construction and procurement specialists, would then take forward the construction phase to final delivery back to the client Department. This works in other regions; it will work here.

MPANI has also gave oral evidence to the NI Audit Office to inform their current report into the Planning Process.

MPANI also, as part of the CBI Infrastructure Group, submitted views to the CBI's Report entitled 'An Opportunity to Level up Planning – A review of major planning applications in Northern Ireland' (October 2020)

Removal of Red Diesel Rebate April 2022

The Chancellors decision to remove the red diesel exemption from the construction and minerals sector in 2022 is in our view a massive tax raid on Industry. With no alternatives to diesel-powered equipment on or even near the market yet, the industry has no opportunity to switch equipment but will just face increased taxes that will be passed onto customers and clients including Dfl. We estimate the total additional cost of the tax increase in Northern Ireland will be £10 million. In a global market for construction equipment the incentive effect on suppliers will be insignificant.

Our sector pays its fair share of environmental taxes already and has a great track record on reducing carbon and contributing to biodiversity net gain. We will shift away from diesel when the suppliers bring their alternatives to the market, but that's not going to happen for some years. It is very disappointing that the Chancellor has decided to press ahead with these tax increases from next year. There are other sectors whose environmental footprints are far greater than ours who consistently escape environmental taxation and some who even receive subsidies. Government needs to create greater parity across all business to ensure there is a logical basis for the imposition of green taxes”.

Brexit

On the operational front the COMPLEXITY of the NI Protocol is still having significant impacts, mainly depending on what sector you are in. While during the first two weeks of January there was a lot of concern from quite a few of our Members in relation to the delays in GB to NI lorry movements and the knock-on impact on NI to GB shipments these fears have been greatly reduced, all be it with some small additional costs because of added paper work in some cases.

I sit on the cross-sector NI Business Brexit Working Group. Many of my colleagues on NIBBWG are dealing with Cabinet Office, EU Commission and the Irish Government on a daily basis to discuss and solve many of the complexities

and issues creating barriers to trade in NI. What is becoming crystal clear, something which NIBBWG raised some time ago, is the alarming lack of preparedness and awareness of the NI Protocol of GB, ROI and EU based suppliers. Progress is slowly being made to improve trade to NI and recent unilateral steps taken by the UK Government to extend the grace periods was welcomed by many in the Business Community. We are not experiencing any problems with North South trade in mineral products, mainly because the ROI Construction Industry has just come out of COVID lockdown.

In a recent letter to the UK Government and EU Commission NIBBWG highlight that although a lot of challenges have been overcome since 1 January with the end of the grace periods in sight and the challenges that brings as well as the rest of the economy opening up post-Covid lockdown, our business community, now more than ever, needs flexibility from the EU and UK and a delivery on their commitments to the people of Northern Ireland in the preamble to the Protocol. NIBBWG stated that what NI Business need is:

Stability: To allow business to adapt to the changes and challenges of the protocol we need immediate short-term stability. That means an extension to the grace periods to allow business to continue to adapt. We simply won't be ready to deal with the added complications of Export Health Certificates and if nothing changes, there will be significant gaps on shelves from 1 April. Destabilising Northern Ireland is in no-one's interest.

Certainty: A long term workable solution that is done with business not to business. We need the EU and the UKG to work with our technical experts to design a system that works for business and the people of Northern Ireland. That includes on issues such as island of Ireland economy and quotas.

Simplicity: Using things like digitisation, an auditable and certified supply chain which could deliver a much simpler Trusted Trader agreement, and a veterinary agreement to remove frictions. This needs to be proportionate to the low level of risk of UK retail goods coming into Northern going onto the Single market due to the dead-end-host principle.

Affordability: As both the EU and UK have said in recent weeks this all must be done with the least disruption to communities to Northern Ireland. That mean the costs of new processes must be kept to a minimum to allow us to continue to give NI households the choice and affordability they need.

Finally, Minister may I thank you again for your time and please stay safe through these continuing challenging times.

Gordon Best

Regional Director MPANI