

Summary of new and proposed legislation, May 2021 (UK Construction Focus)

May 10, 2021

Dentons' UK Construction team prepare a monthly guide to new and proposed legislation affecting the construction industry for publication in Construction Law's "state of play" table. The May 2021 update is below.

Information contained in our COVID-19 articles and publications is correct at the time of print. This is, however, a constantly evolving situation across the globe and specific advice and guidance should be sought as required.

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Tax

Construction Industry Training Board (CITB) – new levy

- The consultation by the Construction Industry Training Board (CITB) on its proposed levy for the period from 2022 to 2025 has now closed. The CITB is finalising its levy proposals before opening a period of consensus from 4 June 2021 to 15 August 2021 during which construction businesses will be able to

comment. The CITB levy applies to all employers "engaged wholly or mainly in construction industry activities" and is used by the CITB to ensure that construction employers have the skilled workforce they need. Levy rates have been temporarily reduced to reflect financial hardship caused by the COVID-19 pandemic.

Off-payroll working

- HMRC's changes to the off-payroll working rules (IR35) came into force on 6 April 2021 following an announcement in February 2021 that the rules would apply only to payments made for services provided on or after 6 April 2021. The changes confirm: where a worker has no interest in a company, the company will not be a relevant intermediary (which was not clear when the rules were originally published); a client's status determination statement (SDS) can be provided on an online portal; and when an SDS should be provided or updated. If not done already, construction companies should be reviewing labour, contractors and consultant supply chains to determine where the rules apply and how to apply them.
- In relation to the rules more generally, the Electrotechnical Joint Industry Board has published Direct Employment – A study of Economic, Business and Social Outcomes, a report by Howard Gospel, Emeritus Professor of Management at King's College London, which considers the impact of non-direct, off-payroll working across the UK construction industry.

Construction Industry Scheme tax anti-abuse regulations made

- Legislative changes introduced on 15 March 2021 to address abuse of the Construction Industry Scheme (CIS) will impact those who: work in construction; operate within the CIS; or represent construction businesses. The CIS is applicable when construction expenditure of the particular entity exceeds £3 million within the previous 12 months. The changes include:
 - in relation to set-off claims, HMRC will now have the power to amend CIS deduction amounts claimed by sub-contractors on their Real Time Information Employer Payment Summary returns, with the intention being that errors and omissions can be corrected or claims removed completely where sufficient evidence is not provided;
 - where a sub-contractor directly incurs the cost of materials purchased to fulfil a construction contract, that cost is not subject to deduction under the CIS;
 - who falls within the category of "deemed contractors"; and
 - an expansion of the liability for penalties where persons or individuals are in a position to exert influence or control over those making an application and the individual or company uses that position to encourage the provision of false information or the making of a false statement.

Payment

New Small Business Commissioner

- Liz Barclay [has been] named as Small Business Commissioner to lead crackdown on late payments to small businesses. This role was established in 2016 to help small businesses get paid on time and is more important than ever now in the midst of the COVID-19 pandemic. Last year, the government consulted on new powers for the Commissioner, including the power to order payments, levy fines and open investigations based on third-party information. The responses to that consultation and further proposals made are awaited.

Insurance

PI insurance

- The Construction Leadership Council (CLC) has conducted a survey to track the impact of the "growing crisis" in the professional indemnity (PI) insurance market. The CLC referenced reports of sharp increases in PI insurance premiums, "stricter curbs on the levels of cover", large, sometimes four-fold increases in policy costs and others unable to secure cover. The CLC will publish the results and use them to inform their ongoing work in supporting the construction sector.

Building safety

RICS – EWS FAQs and mortgage valuation guidance

- The Royal Institute of Chartered Surveyors (RICS) published a set of frequently asked questions (FAQs) on cladding external wall systems (EWS) on 8 March 2021. The FAQs give an explanation of an EWS and how and when to use the EWS1 Form which: is valid for five years; certifies that the EWS has been assessed by a qualified body; is designed to be used for residential properties such as blocks of flats; and is applicable to an entire building so may be required on mixed-use buildings.
- RICS also updated its guidance note on Valuation of properties in multi-storey, multi-occupancy residential buildings with cladding on 8 March 2021. The note "is intended to support valuers undertaking valuations for secured lending purposes on domestic residential blocks of flats in the UK" and includes criteria as to when a particular building needs an EWS1. The guidance came into force on 5 April 2021. As well as the EWS1 Consultation summary and responses which is available here, RICS has also issued a supplementary information paper "to increase surveyor's knowledge of typical external wall cladding systems for building types that may be considered in the 'External Wall Fire Review' process".

Modern slavery

New construction products regulator

- The government has launched a modern slavery statement registry "to share the positive steps taken to tackle and prevent modern slavery" (11 March 2021). Any organisation who prepares a slavery statement can, voluntarily, add their statement to the new registry for slavery statements. To lead by

example, the government submitted its own UK Government Modern Slavery Statement summary 2020 on the day of launch. Under Section 54 of the Modern Slavery Act 2015 (MSA), large businesses are required to produce a statement each year either setting out what they have done to avoid modern slavery risks in their business and supply chains, or that they have taken no such steps. Adding the statement to the registry is "strongly encouraged" and while currently voluntarily, is likely to be made mandatory "as soon as parliamentary time allows".

Home Office guidance and details on how to publish an annual modern slavery statement can be found [here](#).

Planning

CIOB Planning Protocol 2021

- The Chartered Institute of Building (CIOB) has released a new CIOB Planning Protocol 2021 (CIOB PP21) tool to enable construction parties to "see that the construction programme they maintain is precise and of high quality at every stage". It aims to help users understand the requirements of an effective programme. It acts as a planning guideline which, if followed, allows the thresholds (stress tests) to be met. CIOB PP21 is free, adaptable and can be incorporated into standard form and bespoke construction agreements alike for use on a wide range of projects. [Download here](#).

Permitted development rights inquiry

- The Housing, Communities and Local Government Committee (HCLGC) launched an inquiry on 23 March 2021 to examine the government's approach to permitted development rights (PDR). Following the recent expansion of PDR, which allow certain changes to be made to a building without a planning permission application, the inquiry will focus on the impact of the expansion – and future impacts – on the planning system and at a local level, as well as on the government's targets for new homes and economic growth. The inquiry closes on 30 April 2021.

Wales

- The Welsh Government has published Future Wales – The National Plan 2040 (24 February 2021) which will influence "all levels of the planning system in Wales and will help to shape Strategic and Local Development Plans prepared by councils and national park authorities. The document sets out the Welsh government's 20-year plan for shaping the future growth and development of Wales.

Products and materials

Limited availability of construction products

- The Construction Products Association (CPA) and the Builders Merchants Federation published a joint statement on 8 March 2021 addressing the limited availability of a number of construction products, including timber, steel, PIR/PUR insulation and roofing, and container imports. The statement

notes that there are a number of contributing factors, as well as the shortages and price increases caused by COVID-19.

Government consults on waste prevention programme for England

- Defra has launched a Consultation on the Waste Prevention Programme for England: Towards a Resource-Efficient Economy which aims to collect feedback on its revised programme for waste prevention across a number of key sectors, including construction. The aim is "to reduce construction waste and increase the reuse of construction materials at their highest value. This means designing buildings for adaptability and deconstruction, increased reuse of components, use of materials that can be reused and recycled, and improved demolition systems". Specific proposals include: working "with industry through the Green Construction Board to publish a route map to achieving Zero Avoidable Waste in the sector by 2050"; shifting the design of construction materials to encourage greater reuse; aligning all new homes with a "net zero future"; and encouraging local authorities to take action through the planning process to promote sustainability. The consultation closes on 10 June 2021.

Fire Safety

Government response to fire safety consultation

- The government has published its response to the public consultation on fire safety (17 March 2021). Its proposals include strengthening the Regulatory Reform (Fire Safety) Order 2005 (SI 2005/1541) (RRO 2005) through the introduction of the Building Safety Bill. The bill includes measures such as: unlimited fines for obstructing fire inspectors or breaching fire safety regulations; changing the way building control bodies and fire rescue services interact; and implementing the Grenfell Tower Inquiry Phase 1 Report recommendations to place new requirements on building owners or managers of multi-occupied residential buildings. The bill also affects the design and construction of buildings with new roles and responsibilities through the construction process.

Free fire safety assessments

- The Scottish Government announced on 22 March 2021 that homeowners who have external cladding on their flats will be offered free safety assessments. The Government will also launch a Single Building Assessment programme to help carry out safety assessments on a whole building rather than individual flats. This programme will release affected buyers and sellers from difficulties in obtaining mortgages. See also the independent report from the Ministerial Working Group on Mortgage Lending and Cladding and the Q&A on the Single Building Assessment programme.

Learning from Grenfell

- The Welsh government published the report Fire and Rescue Services in Wales: Learning from Grenfell, prepared by the Fire and Rescue Services (FRS), on 22 February 2021. The report focuses on learning from Grenfell

Tower Inquiry recommendations and identifies how the FRS has implemented the applicable recommendations in the Grenfell Tower Inquiry (GTI) Phase 1 Report.

BBA and CPA consultations on HRRB construction safety

- The British Board of Agrément (BBA) and the CPA have conducted consultations into the safety of Higher Risk Residential Buildings (HRRBs). The BBA consultation (Consultation to the Industry: Construction product assessment relating to Higher Risk Residential Buildings) (February 2021) closed on 19 March 2021 and collected feedback from architects on its enhanced certification process. The CPA consultation concerned its proposal for a new Code for Construction Product Information (CCPI). It closed on 31 March 2021 and the results are expected at the end of April 2021.

CDM Regulations 2015 – Principal Designer

- The Health and Safety Executive (HSE) has carried out a survey (commissioned from MPW R&R) on the role of the Principal Designer under the Construction (Design and Management) Regulations 2015 (SI 2015/51) (CDM 2015). The survey was intended to broaden understanding of how the role is working in practice and was open to all who have worked on construction projects where a Principal Designer was appointed. The Principal Designer role has come under scrutiny since the Grenfell tragedy. The Building Safety Bill also proposes a regime for higher-risk buildings that aligns with the Principal Designer role. The survey closed on 5 March 2021.

Affordable housing

- On 24 March 2021, the House of Lords debated the Coming Home report by the Archbishops' Commission on Housing, Church and Community which focused on "building better communities and more truly affordable homes, not just houses". The Lords' general debate addressed current issues and concerns to draw the government's attention to the case for setting out a long-term housing strategy.

The impact of MMC use on home building

- Homes England has commissioned a research study into the impact of Modern Methods of Construction (MMC) on home building delivery phases across eight pilot sites across the UK (see here). The study will monitor the performance of various kinds of MMC in the hope of demonstrating the role innovation can play in housebuilding. The key drivers for the research are to: "establish a robust data set on the construction of homes utilising MMC; provide the housing industry with confidence in the use of MMC to deliver homes, based on a verified body of data; and establish a benchmark approach to collecting data on MMC homes".

Right and help to buy

- The Ministry of Housing, Communities & Local Government (MHCLG) has published the outcome of its consultation into the Use of receipts from Right to

Buy sales. The proposed measures will give local authorities more freedom when allocating the funds obtained from selling homes through the Right to Buy schemes which will help authorities to develop and build more homes where needed in their communities. (See also the press release: Councils given power to build more homes for first-time buyers and for social rent, 20 March 2021).

- Homes England updated its The Help to Buy: Equity Loan brand and written guidelines (17 March 2021) which include the Equity Loan logos and brand guidelines for government organisations.

National Retrofit Strategy

- The CLC confirmed on 16 March 2021 that 50 organisations in the construction sector support the CLC's National Retrofit Strategy. With 20% of the UK's carbon emissions coming from its 28 million homes, a net-zero carbon economy will not be achieved by 2050 without retrofitting to make them more energy efficient. The CLC National Retrofit Strategy has four phases designed to help kick-start the retrofit market and create new jobs. The CLC has called upon the government to invest at least £5.3 billion over the next four years.

Scottish measures

- The Scottish Government has announced plans to deliver 100,000 affordable homes by 2032 aiming to have at least 70% of these used for social rent (see the press release of 15 March 2021). This is a part of Scotland's Housing to 2040 vision for "everyone to have a safe, good quality and affordable home that meets their needs in the place they want to be".
- On 15 March 2021, the Scottish Government published a report summarising the responses to a public consultation on Housing to 2040. (See the press release.) Housing to 2040 focused on creating "A Well-Functioning Housing System" and in particular on: finding the right home; affording a home; making the best use of our homes; investing; fairness; and opportunities in rural and island communities. The Government's response highlights that "housing policy has a vital role to play in achieving many of Scotland's aspirations, including eradicating child poverty and homelessness, ending fuel poverty, tackling climate change and promoting inclusive growth". In general, respondents supported the Government's draft and vision and praised the initiative for being ambitious and comprehensive.
- The Scottish Housing Market Review 2021, published on 23 March 2021, covers the period October to December 2020 (Quarter 4) and collates a range of statistics on house prices, housing market activity, cost and availability of finance and repossessions. The statistics revealed a continued recovery in Scottish residential property sales in Q4 in Scotland (although 2020 sales overall fell by 17.3%); an annual increase of new homes by 3% as compared to the previous year; and a recovery in the supply of affordable housing since Quarter 2.

FIDIC addresses sustainability issues

International focus

- The International Federation of Consulting Engineers (FIDIC) launched a series of "State of the World" reports in which it intends to highlight significant global challenges and issues and how they can be tackled. The first webinar in February 2021 considered "the trillion-dollar investment challenge facing the global infrastructure sector". The next, scheduled for August 2021, will consider whether, as the world marches towards achieving the 2030 UN Sustainable Development Goals and net zero, we should simply adapt our current way of living or think about a new way of life.

Consultation on environmental principles ahead of COP26

- The Department for Environment, Food & Rural Affairs (Defra) is consulting on a draft policy statement designed to introduce five environmental principles for consideration in future policy-making as part of the Environment Bill (See Consultation launched on environmental principles.) These five, internationally recognised principles, which "will guide future policymaking to protect the environment", are:
 - The integration principle which states that policy-makers should look for opportunities to embed environmental protection in other fields of policy that have impacts on the environment.
 - The prevention principle means that government policy should aim to prevent, reduce or mitigate harm.
 - The rectification at source principle means that, if damage to the environment cannot be prevented, it should be tackled at its origin.
 - The polluter pays principle where those who cause pollution or damage to the environment should be responsible for mitigation or compensation.
 - The precautionary principle states that, where there are threats of serious or irreversible environmental damage, a lack of scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.
- The draft policy statement under consultation sets out how these principles should be interpreted and proportionately applied throughout all government departments to help both improve environmental protection and sustainable development and ministers' understanding on interpreting and applying these principles in policy-making.
- The Environment Bill creates a duty on government ministers to be guided by these principles and demonstrates the government's commitment to its ambitious environmental programme and to "building back greener" ahead of the 2021 Climate Change Conference. The consultation closes on 2 June 2021 and can be found [here](#).

Build Back Better plan for growth

- HM Treasury has published its Build Back Better plan for growth which "sets out the government's plans to support growth through significant investment in infrastructure, skills and innovation, and to pursue growth that levels up every part of the UK, enables the transition to net zero, and supports our vision for Global Britain".
- Set against the backdrop of issues arising from the COVID-19 pandemic, the paper highlights: policy relating to Build Back Better (with a proposed and unprecedented economic package to support people, businesses and the economy), the economic context (the effect of the pandemic), infrastructure (a commitment to transforming the UK's infrastructure and increased investment as a central part of economic recovery); skills (the vital role of education and skills training in sustaining productivity growth and international competitiveness); innovation (to drive economic growth and improve living standards); levelling up (improving everyday life for people in areas which feel left behind); net zero (UK investment in and implementation of policies to meet targets); Global Britain (including taking advantage of the opportunities that come with our new status as a fully sovereign trading nation); and the way ahead (using this plan's ambitious objectives "to capitalise on the UK's dynamic and open economy, tackle long-term problems and drive new growth").
- The paper explains how the UK will achieve its net zero target by 2050, summarising what the government is doing with reference, for example, to the government's Ten Point Plan for a green industrial revolution.

Funding to support green innovators

- The Department for Business, Energy & Industrial Strategy (BEIS) has launched three new innovation challenges "to drive forward next generation green technologies" in key areas of the green energy sector (energy storage technology, floating offshore wind and biomass production). More than £90 million funding of the government's £1 billion Net Zero Innovation Portfolio will be available to "green innovators" who are urged to bid for funding to develop new technologies and enable the UK to build back greener. (See Over £90 million government funding to power green technologies.)

Low carbon heat and the Green Gas Levy

- BEIS consulted on Future support for low carbon heat in 2020 in which it set out proposals for a Green Gas Support Scheme (GGSS) (which would increase the proportion of green gas in the grid through support for biomethane injection) and a Clean Heat Grant (to provide support for heat pumps and, in certain circumstances, biomass through an upfront capital grant to help address the barrier of upfront cost). The GGSS was to be funded by a Green Gas Levy (GGL) applied to all GB licensed fossil fuel gas suppliers (on which a consultation ran in September 2020: Consultation on a Green Gas Levy).
- The government's response to these consultations was published on 17

March 2021 and includes a summary of stakeholder responses. (See Future Support for Low Carbon Heat & The Green Gas Levy Government response to consultations.) The government intends to proceed with the GGSS and GGL. In relation to the GGSS, the response outlines the government decision on a 15-year tariff lifetime, a three-tier structure, the scheme's sustainability criteria and a 50% minimum percentage threshold for waste and residue feedstocks. In relation to the GGL design, the response sets out its scope, methodology for the per meter point design, frequency of levy payments, collection of meter point data and the notice period that suppliers will be given ahead of the first levy collection.

- The government intends to publish a separate response on the Clean Heat Grant later in 2021.

Cash boost for environmental upgrade

- BEIS has announced that Over 50,000 households are to get warmer, greener homes due to a £562 million boost (23 March 2021). The cash boost will focus on: upgrading households in social housing and domestic properties with deeper insulation, heat pumps and solar panels; a nationwide home "upgrade" to help households save on energy bills; supporting approximately 8,000 green jobs per year.

Industrial Decarbonisation Strategy

- BEIS published the UK's net zero Industrial Decarbonisation Strategy policy paper on 17 March 2021 (the UK is the world's first major economy to present such a strategy), setting out "how industry can decarbonise in line with net zero while remaining competitive without pushing emissions abroad". The strategy underlines the need for transformation of industry sectors' manufacturing processes as being key to the UK meeting its emissions targets. The paper references the construction sector as being one of the biggest purchasers of industrial products (such as steel and concrete) and provides examples such as a case study on industry initiatives to reduce emissions and the "new tools aimed at influencing procurement decisions away from lowest cost such as the Construction Leadership Council's Procurement for Value work". The strategy builds on the 10 Point Plan for a green industrial revolution.

Performance based policy framework for large commercial/industrial buildings

- The Department for BEIS has opened a consultation Introducing a performance-based policy framework in large commercial and industrial buildings (17 March 2021). The consultation focuses "on the government's proposals to introduce a national performance-based policy framework for rating the energy and carbon performance of large commercial and industrial buildings above 1,000m squared, with annual ratings and mandatory disclosure as a first step". Building on international best practice and industry collaboration, the strategy paper "outlines the rationale for the policy, its aims and proposals on how to implement it". The consultation closes on 9 June 2021.

Net zero strategy at a local level

- The HCLGC launched Local government and the path to net zero: new inquiry (16 March 2021) to examine the UK's strategy for meeting the 2050 "net zero" target at a local level. This will assist local governments who are responsible for a range of areas that could also play a key role in the UK's efforts to reach the net zero target, including local transport, recycling and waste disposal. The new inquiry will examine: proposals for establishing planning guidelines and building regulations to reduce the UK's household emissions; the current emphasis on heat pumps as a long-term solution to increase energy; whether other options may prove more viable; and what other, non-domestic, measures local government can take to contribute to the UK's emissions reduction targets. The inquiry closes on 30 April 2021.

Industry initiatives

- The CLC's 2021 strategy, published 23 March 2021, prioritises the delivery of a resilient construction industry through the use of initiatives such as net zero carbon. The strategy identifies the challenges facing the industry (relating to net zero carbon buildings and infrastructure, increasing productivity and performance, and status and trust), the top three priorities (industry recovery, industry transformation and building trust) and sets out a three-year plan.
- The CLC has launched a new initiative, ConstructZero, "to drive carbon out of all parts of the construction sector, from manufacturing and design to construction and operation of assets". This cross-industry change programme responds to the net zero by 2050 target and is intended to help bring the industry together in coordinating decarbonisation.
- The CLC acknowledges the impact of the built environment on the climate and has called for the industry to "find a way to work more effectively together" and to embrace the net zero challenge not only to survive, but also to succeed. (See the press release, 8 March 2021.)
- The Confederation of British Industry (CBI) published a report, Greening the tax system (March 2021) about a green tax policy that could help the industry achieve the net zero target. The report addresses the guiding principles of greening the tax system and considers how each environmental tax can drive the delivery of net zero by 2050.

Net zero (Scotland)

Scotland's Climate Change Plan

- Ahead of COP26 and following the Scottish Government's publication of its updated draft Climate Change Plan (laid before Parliament on 16 December 2020), four Holyrood Committees have welcomed the level of ambition in the Plan but raised concerns including that Urgent action is needed if Scotland's ambitious climate change targets are to be met (4 March 2021). The Plan outlines the proposals to meet Scotland's climate change targets of a 75% reduction in greenhouse gas emissions by 2030 and achieving net zero by 2045. The committee reports include:
 - the Environmental, Climate Change and Land Reform Committee's report highlighted issues in respect of emissions abatement that need to be corrected, and that the Plan needs to take a more integrated approach with respect to cutting emissions across agriculture and wider land use;
 - the Rural Economy and Connectivity Committee's report addressed transport issues and calls for investigation into how the target of 24,000 hectares of new forestry per year might be realised;
 - the Local Government and Communities Committee's report highlighted the need for the adoption of a flexible approach to funding local authorities so that they are equipped to meet the decarbonisation needs of their local areas; and

- the Economy, Energy and Fair Work Committee's report recommended publication of a road map on how the 2032 target for gross emissions will be met by Negative Emissions Technologies.

Wales

- The Heat Networks (Scotland) Bill was passed on 23 February 2021 and will introduce new measures to accelerate greener, cheaper heating across Scotland. This legislation marks "Scotland as the first country in the UK to legislate support for the growth of heat networks through which clusters of homes and businesses will get heating from a central source rather than individual fossil fuel burners". Heat networks will reduce greenhouse gas emissions and generate fuel savings for connected households. A UK-wide, National Comprehensive Assessment (NCA), being undertaken to establish the technical and cost-competitive potential for heat networks, is due for publication in the spring. Detailed guidance and regulations required in order to implement this bill will be developed over the next two years.

Public procurement

Procurement in an emergency: PPN 01/21

- The Cabinet office has published Procurement Policy Note 01/21: Procurement in an Emergency which "reminds contracting authorities of the options available to them when undertaking procurements in an emergency" (and builds on the guidance given in PPN 01/20: Responding to COVID). The potential risks of procuring in an emergency include: poor value for money such as abnormally high pricing; unequal treatment of suppliers in the procurement process; poor practice due to procuring at speed, such as retrospective contract awards or retrospective due diligence checks; and lack of documentation around key procurement decisions including how conflicts of interest are identified and managed.
- Some of these risks are unavoidable, making it important that the contracting authority keeps proper records and documentation to justify the decisions made in case they are challenged in the future. Where goods and services of works are needed urgently and to be procured under the Public Contracts Regulations 2015 (the PCR), the following options are available to the contracting authority: call off from an existing framework agreement or dynamic purchasing system; call for competition using a standard procedure with accelerated timescales; extending or modifying a contract during its term; direct award due to absence of competition or protection of exclusive rights; or direct award due to extreme urgency under regulation 32(2)(c) (direct awards should be a last resort).
- Even if it is an emergency, "it is important that the contracting authority still achieve value for money and use good commercial judgement, including when issuing a direct award" – and should manage these issues by weighing

them against the risk of not being able to secure the required goods or services.

- The Welsh government has adopted this PPN and encouraged its public authorities to follow suit. (See here)

Sourcing Steel: Welsh PPN 01/21

- The Welsh government has published Welsh Procurement Policy Note 01/21 (WPPN 01/21): Sourcing steel in major construction and infrastructure projects, effective from 2 February 2021, which replaces previous guidance and identifies ways public procurement action can support the steel sector within the UK. This note applies to all contracting authorities whose functions are wholly or mainly Welsh devolved functions and "is to be applied [to] any major procurement project following publication of this [WPPN] where steel is a 'critical component' ('critical component' is considered to be a structural steel product(s) such as steel frames; reinforcing bars)".
- The WPPN acknowledges the British steel industry as a major employer and producer of quality steel products. It urges contracting bodies to maximise the socio-economic and environmental impact of the public procurement and consider UK steel during pre-procurement planning and supplier selection, not always selecting a supplier with the lowest price.

CLC response to Green Paper

- The CLC has responded to the Green Paper on transforming public procurement, expressing support for the proposed legal principles of public procurement and noting that they partly mirror the existing regulations (see CLC Responds to the Transforming Public Procurement Green Paper). In the response, the CLC: welcomes the inclusion of value for money and the public good as specific principles; hopes the Green Paper will result in acknowledgement that achieving public good is essential in delivering value for money; agrees with the establishment of a new public procurement unit to oversee public procurement, intervene if required and hold public bodies to a higher standard; recommends this unit be comprised of representatives from across the construction industry to ensure impartial expert knowledge; and highlights the importance of raising awareness after the changes are made, especially with the new open and flexible procedure being proposed.

Provisional Framework on Public Procurement

- The Cabinet Office has published a policy paper on Public Procurement: Provisional Common Framework which sets out a "non-legislative framework to ensure continued co-operation between the government and devolved administrations [DAs] in relation to public procurement". The paper, which has now been presented to Parliament for scrutiny, comprises a four-nation approach to domestic and international public procurement policy and is intended to guide all four nations to develop public procurement policies after Brexit.
- The Common Framework (for which definitions are provided) is intended "to

establish agreed working practices between the [DAs] and the [UK government] in relation to domestic and international public procurement policy and legislation and, specifically: consultation and exchange of information; development of policies and legislation; [engagement] with the DAs on World Trade Organisation Government Procurement Agreement (WTO GPA) business; international agreements; procurement related proceedings; and resolution of disputes".

- The procurement regime provides rules for public procurement and regulates the process for public authorities awarding concession contracts above certain thresholds. This ensures consistency in decision-making across the four nations and in line with the framework principles. Whilst ensuring consistency, the regime also respects devolution and the democratic accountability of all the legislatures. With this in mind, each nation will develop their own policies for procurement with the Common Framework being central to them. The nations will ensure that consideration is given to each other's views and areas of mutual interest and their relationship is on a "no surprises" basis.
- The Cabinet Office has published Procurement Policy Note 02/21: The WTO GPA and the UK-EU TCA which sets out: the requirements for public authorities under the World Trade Organisation (WTO) Agreement on Government Procurement (GPA) (which applies to the UK as an independent party as of 1 January 2021); and the action required by public authorities to follow the UK-EU Trade and Cooperation Agreement (TCA). PPN 02/21 is effective from 19 February 2021 and calls for public authorities to familiarise themselves with the UK's commitments under the GPA and the TCA set out in the PPN.
- The GPA is an agreement between 21 countries which have elected to be within the WTO framework. The UK was previously a member as part of the EU but has negotiated independent membership. As the UK's public procurement regulations already comply with the GPA, public authorities have to simply comply with domestic procurement law to follow GPA requirements.
- The government has also successfully negotiated on the TCA, which provisionally applies from 1 January 2021 and is implemented in the UK under the EU (Future Relationship) Act 2020 (even though it is still pending approval by EU institutions). The TCA's aim is to: provide market access that goes beyond the GPA through clear and enforceable rules; "protect UK-owned businesses based in the EU from the risk of discrimination in EU public procurements due to their UK ownership"; and open up public procurement markets in gas and heat and private utilities that act as a monopoly. For more information, see Agreements reached between the United Kingdom of Great Britain and Northern Ireland and the European Union.

PPN 02/21

Industry skills plan

- The CLC has published a sector-wide Industry Skills Plan for the UK Construction Sector 2021-25 to set out the skills shortages challenges facing the construction industry and how to deal with them. Key areas addressed are: careers, standards and qualifications, training, education and development, and culture and working environment. Commitments include: "Creating Talent View, a one-stop-shop portal for new entrants; recruiting 7,000 construction STEM Ambassadors; developing an industry standard for work experience; producing competence frameworks; new training standards for Net Zero and Smart Construction; [and a] pledge to promote direct employment".

The Spring Budget: construction aspects

- The Spring Budget 2021, announced on 3 March 2021, included various announcements affecting the construction industry, not least: measures that support the COVID-19 recovery (such as the Build Back Better plan for growth and the extension of the furlough scheme and stamp duty holiday to 30 September 2021) and achieving net zero; the establishment of a UK Infrastructure Bank (to finance UK infrastructure projects as well as provide advice on the development and delivery of such projects), funding for 45 Town Deals across England; the establishment of eight new free ports in England; capital loans allowances for those companies who invest in qualifying new plant and machinery assets; new task force established by the housing ministry to accelerate the delivery of houses built using MMC; and support for employers hiring new apprentices.
- The following were published alongside the Spring Budget 2021: Build Back Better: our plan for growth; Levelling Up Fund: prospectus; New levelling up and community investments; The mortgage guarantee scheme; Policy Design of the UK Infrastructure Bank; NIC Infrastructure, Towns and Regeneration Study: Terms of Reference; R&D Tax Reliefs: consultation; The scope of qualifying expenditures for R&D Tax Credits: consultation; Enterprise Management Incentives: call for evidence; Consultation on reforms to the tax treatment of red diesel and other rebated fuels; National Minimum Wage and National Living Wage Low Pay Commission remit 2021; Remit and recommendations for the Financial Policy Committee: Budget 2021; Monetary policy remit: Budget 2021; Debt management report 2021 to 2022; Taskforce to boost construction using MMC.
- The UK Industrial Strategy has now been archived and the government focus is on transitioning to the Build Back Better: our plan for growth (see above) which was published at the same time as the Spring Budget.

Infrastructure

UK Infrastructure Bank

- Alongside the launch of the UK Infrastructure Bank (UKIB), HM Treasury published its Policy Design of the UK Infrastructure Bank which provides more

detail on the design of the bank and, in particular: the initial capital available for the Bank; the location of the Bank's headquarters; a rate for local authority lending; and the next steps in the Bank's development. The bank is expected to start operations in an interim form in spring 2021.

- The National Infrastructure Commission (NIC) has published its Annual Monitoring Report for 2021 which sets out 10 points for the government to address over the next year.
- The Infrastructure and Projects Authority (IPA) announced, on 24 March 2021, the launch of the new Projects Academy to "transform training and accreditation for project delivery professionals in government". The new Government Project Delivery Framework was also announced on 24 March 2021 which sets out "the core requirements to be met at key stages by major projects, programmes and portfolios in government, incorporating best practice guidance".

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