

## Coronavirus Update – Tuesday 21 April 2020

Coronavirus (COVID-19) has had a significant impact on construction projects across the country. Whilst the majority of infrastructure projects were able to implement the [Site Operating Procedures](#) without too many delays, city centre building sites and those with limited space have taken time to adjust to the new ways of working.

We know that further support is required on a number of issues, including credit insurance, supply of materials, relaxation of restricted working hours, PPE, close working and accommodation for workers, and Build UK is working to provide additional guidance where we can. The Construction Leadership Council (CLC) is also looking at a recovery plan for the industry and how to release workers from furlough in a phased manner. Following its [Statement on Payment and Contracts](#) earlier this month, the CLC also continues to call for collaborative ways of working to avoid costly contractual disputes which are more than likely to result in insolvencies.

Whilst construction clients have responded in different ways, the Government has been very clear on the response expected from public sector clients. Earlier this month the Cabinet Office published supplementary [Guidance Notes for Construction Contracts](#) to support contracting authorities in implementing [PPN 02/20 - Supplier Relief due to COVID-19](#).

PPN 02/20 applies until 30 June 2020 to all contracts let under the:

- Public Contracts Regulations 2015 (PCR)
- Defence and Security Public Contracts Regulations 2011
- Utilities Contracts Regulations 2016
- Concession Contracts Regulations 2016.

To be eligible for relief, suppliers must operate on an ‘open book’ basis, continue to pay their employees and supply chains promptly, and warrant that they will not be in breach of any financial covenants by accepting the relief. Suppliers must also ensure that employees working on the contract are not furloughed under the Coronavirus Job Retention Scheme.

Authorities can provide relief in a number of ways depending on the supplier and the contract:

- Accelerated payment of invoices
- Certification of interim valuations where work has not been undertaken, ensuring they continue to be paid at usual contractual rates
- More regular payments or revise existing payment schedule or timescales
- Advance/pre-payment(s) or payment on order

Authorities can also consider early release of retentions, for example if the works have been completed in substance and only minor defects (or snagging items) remain, or a percentage of the sum if certain milestones have been met.

Companies House is temporarily [pausing the strike-off process](#) to give companies affected by Coronavirus the time they need to update their records and help them

avoid being struck off the register. This follows the previously announced [three-month extension to file accounts with Companies House](#).

A reminder that Build UK partner Citation is running another free 90-minute Coronavirus webinar for members **tomorrow at 12:30pm** – register your place by completing the [online form](#).

Businesses should continue to follow the most up-to-date [Government guidance](#) and for the latest updates please follow Build UK on [Twitter](#) and [LinkedIn](#). If you have any construction-specific queries or feedback on what is happening within the industry, please contact [Build UK](#).

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