



Department for
Business, Energy
& Industrial Strategy

Andy Mitchell
Co-Chair of the Construction Leadership Council
By email: Andy.Mitchell@tideway.london

The Rt Hon Alok Sharma MP
Secretary of State
Department for Business,
Energy & Industrial Strategy
1 Victoria Street
London
SW1H 0ET

T +44 (0) 20 7215 5000
E enquiries@beis.gov.uk
W www.gov.uk

Our ref:
Your ref:

30 April 2020

Dear Andy,

Thank you for your letter of 1 April – and for your good wishes to the PM. He has asked that I reply to your letter on his behalf.

I am grateful to you and the Construction Leadership Council (CLC) Coronavirus Task Force for the work that has been done over the last few weeks, to agree and take forward a prioritised set of actions to allow the construction sector to continue to operate. I know that the guidance and advice you have published so far has been well received by the sector.

It is very encouraging to see the sector coming together and speaking with one voice to Government. I hope we can continue in that collaborative spirit over the coming days and weeks. The Government will continue to work with the Task Force and others to develop the advice, guidance and support that will allow the industry to continue to operate in these challenging times.

It is clear that the sector faces an unprecedented challenge as a result of COVID-19. I know it will be a worrying time for you and your families – as well as of course your employees and the wider workforce.

As stated in my recent letter to construction workers – the sector is one of the cornerstones of our economy and is performing vital work. I would like to make clear that the Government position is that construction should continue where it can happen in a way that follows Public Health England guidance.

The Government will continue to make this clear. I understand that my Ministerial colleagues Nadhim Zahawi and Andrew Stephenson have also made this point on recent conference calls that you have arranged with industry leaders.

Your letter also proposed a number of measures to support the industry, in particular, to maintain cashflow to businesses throughout the construction supply chain. The Government is working at pace to consider the range of financial and policy support measures that we have already put in place to support the sector and indeed the wider economy.

The Chancellor has in recent days announced changes to the Coronavirus Business Interruption Loan Scheme (CBILS) which will make it easier for SMEs with a turnover of up to £45million to access vital financial support. Similarly, a new Coronavirus Large Business Interruption Loan Scheme (CLBILS) will ensure that more firms are able

to benefit from government-backed support during this difficult time. It will provide a government guarantee of 80% to enable banks to make loans of up to £25 million to firms with an annual turnover of between £45 million and £500 million.

This is in addition to the Job Retention Scheme and the Self-Employment Income Support Scheme, both of which will support firms and workers within the industry.

The Government has also taken action to ensure it is behaving as a responsible client towards the industry. We have issued guidance to public sector procurers with regard to providing relief to suppliers through more flexible payments and contract terms. On the specific issue of retentions raised in your letter, we have given those public sector bodies that choose to hold cash retentions the ability to release all or part of these in relation to projects. We are also encouraging the use of Project Bank Accounts to accelerate payment to all firms within the supply chain.

We will consider the other proposals that you have made and will respond to you on these points as soon as possible.

I am grateful to you for the work you are doing to support the sector, and crucially, accelerate its recovery as and when we are able to ease social distancing.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Alok Sharma', with a stylized flourish at the end.

THE RT HON ALOK SHARMA MP
Secretary of State for Business, Energy & Industrial Strategy