

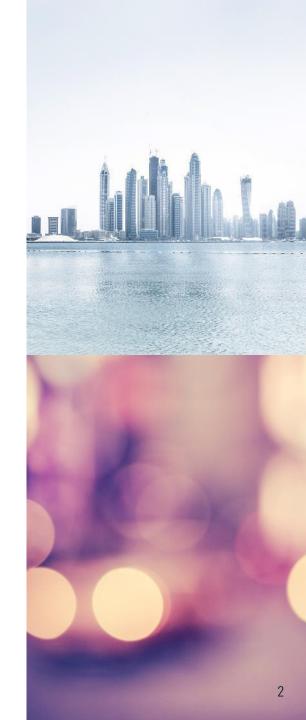
AGENDA

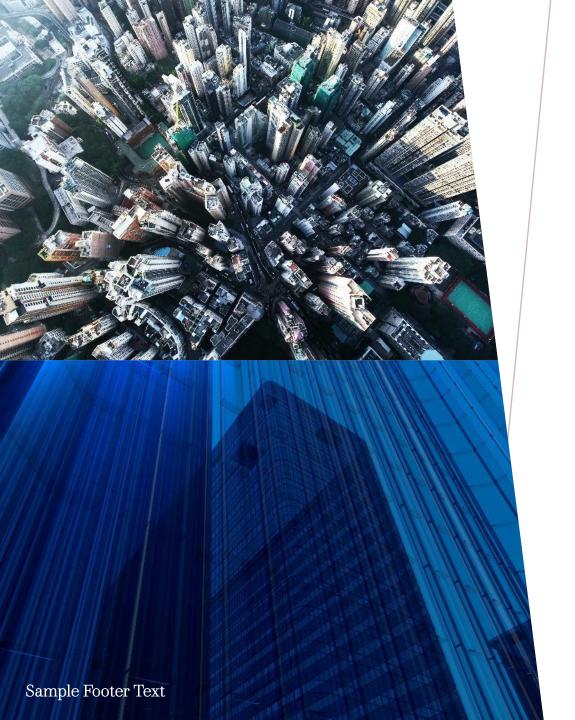
Politics into Practice

Developing High Risk Buildings

Constructing High Risk Buildings

Solutions





INTRODUCTION

Building safety is top of the agenda

The Building Safety Regulator is here

New rules for higher risk buildings over 18m

We are implementing now for the first time



THE INVESTIGATION

Dame Judith Hackett led to investigate and report on fire safety.

Key recommendations

- Clear model of risk ownership
- Outcomes based regulation
- A risk-based approach
- Transparency and audit trail

Building a Safer Future

Independent Review of Building Regulations and Fire Safety:

Final Report

May 2018

Dame Judith Hackitt DBE FREng

Cm 9607

POLITICAL ACTION



Building Safety Act 2022

2022 CHAPTER 30

An Act to make provision about the safety of people in or about buildings and the standard of buildings, to amend the Architects Act 1997, and to amend provision about complaints made to a housing ombudsman. [28th April 2022]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

The Hackett report clearly identified a need for legislation.

The Building Safety Act 2022 has been brought into law.

Key deliverables include;

- Building Safety Regulator
- Specific identification and provision for higher-risk buildings
- Identifies responsible persons
- Regulation of architects (as principal designers)
- Remediation provisions
- Public report of defective buildings



NEEDED LEGISLATION, BROUGH INTO LAW AT PACE

BRINGING THE BSR TO LIFE



New arm of the Health and Safety Executive.

The replace typical building control process and inspections in higher-risk buildings.

An enormous undertaking.

Fully in force from April 2024

BUILDING SAFETY REGULATION

Higher-risk buildings (HRBs) will go through a 3-gateway system

- Gateway 1 Planning
- Gateway 2 Design (preconstruction)
- Gateway 3 Preoccupation

The gateways require information to be submitted with an application to proceed.

GATEWAY SUBMISSIONS



Planning

Largely follows existing planning submission requirements. Fire strategy, etc. BSR is a statutory consultee



Preoccupation

The building must be registered prior to any occupation. This must be applied for with the BSR for review and determination.

8 weeks to approve

The BSR will ensure that fire safety is considered in the design prior to work commencing.

12 weeks to approve



IS IT READY?

Good news

- BSR received adequate funding
- Existing building registrations went as planned
- More guidance has become available

Potential Pitfalls

- Already delays in Gateway 2 and 3 implementation
- Building control officers are not automatically competent building safety assessors
- Will there be adequate capacity in the system?



IMPACT ON DEVELOPERS

The gateway submissions will have a significant impact on developers;

- Forms of contract
- Cash/funding requirements
- Mortgage-ability



FORMS OF CONTRACT



How will the gateway system impact on contractual relationships?

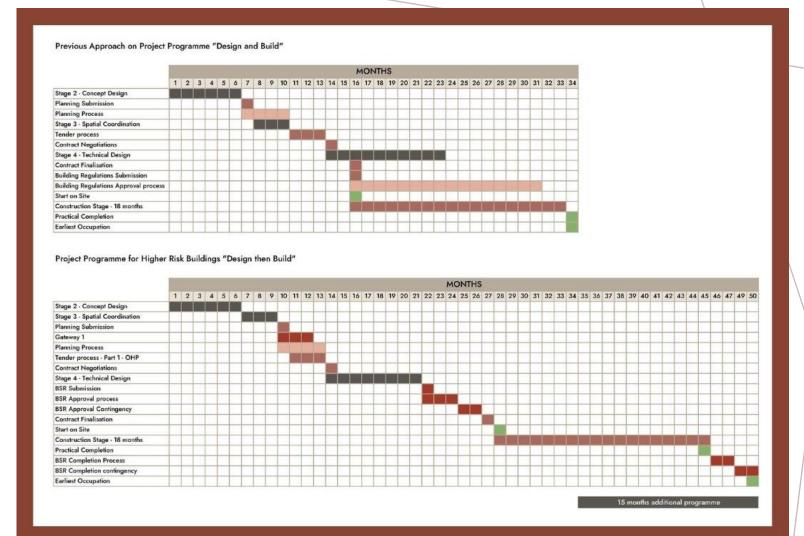
- Will traditional D&B contracts be suitable?
- Will the principal designer need to have progressed to stage 4 before appointments?
- Principal design/contractor relationship; dictate or checking?
- Will we need a new suite of contracts?

CASH AND FUNDING

The HRB regime will prolong the development process

30-40% increase on total cash requirement.

Example; total development cost £30m. Add 15 months at 8% interest. £2m in additional finance costs

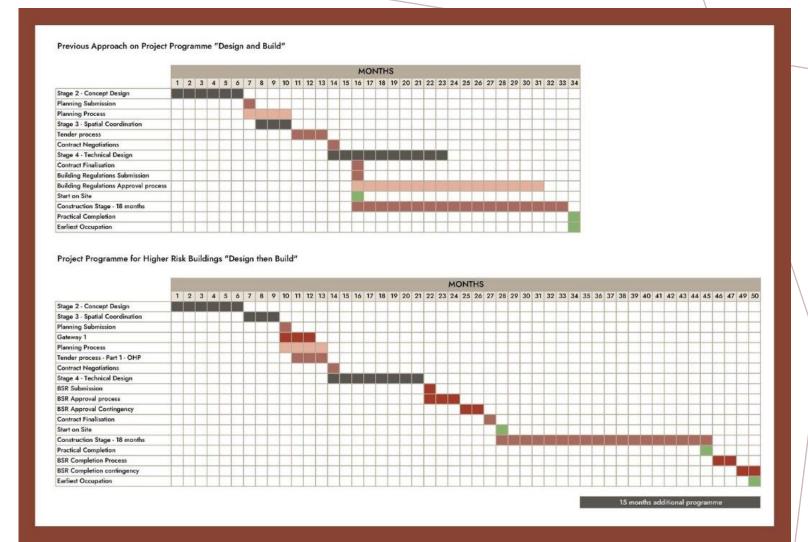




CASH AND FUNDING

Scale this across large projects.

- Will developers be able to self fund?
- Will JV/partnerships become a must have?
- Will this bring other constraints? i.e.
 environmental requirements





MORTGAGE-ABILITY



Mortgage offers normal last 3 months

- How will developers be able to time sales with the gateway 3 submission?
- Will mortgage providers have to extend offer periods on HRBs?
- How long will the market take to respond?
- More investor sales?



THE INDUSTRY IS STARTING TO RECOGNISE THESE ISSUES



PREPAREDNESS

Feeding the right information into the gateway 2 submission

- The fire strategy and build methodology
- Earlier engagement and commitment to suppliers?
- Impact of gateway 2 on commercial process (tendering and order placement?)
- Early collaboration with warranty providers to ensure a linear submission process



PRECISION



Contractors, Subcontractors, Specialists and Consultants will have to deliver exactly to plan.

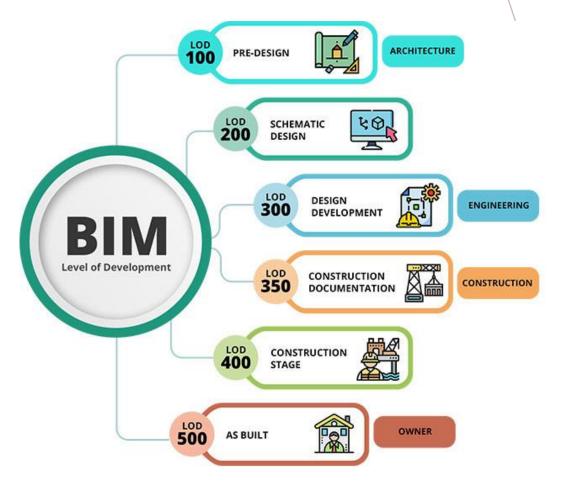
- Significantly reduces scope for changes
- Principal designer will have to audit throughout
- Carefully consider VE options
- Allow more time for approvals
- Robust RFI processes

TRACEABILITY

Golden thread and gateway 3 submissions

- Clear data storage/BIM protocols needed
- Clear expectations of data required at order placement
- Identify proof of competency requirements up front

Don't try and tidy up after the event!



Source: https://www.srinsofttech.com/bim-level-of-development-lod-300-400-500.html



DESIGN & PROCURE FASTER

Look at PCSA's to improve design collaboration and progression.

More open book working and negotiated tenders to improve up front commitments?

Suppliers get behind Clients/Main Contractors and assist with gateway 2 submissions

Pre-construction services agreement (PCSA)

by Practical Law Construction and Stuart Pemble 🛂 , Mills & Reeve LLP

A pre-construction services agreement (PCSA) is used to appoint a design and build contractor to carry out services before entering into a formal building contract. A PCSA is sometimes referred to as a pre-construction agreement (PCA) and is used in two-stage tendering to obtain further design input, buildability advice, technical advice and detailed costs information from a prospective contractor.

A PCSA is a formal agreement to provide specified services (and sometimes to carry out specific works) and is not a letter of intent

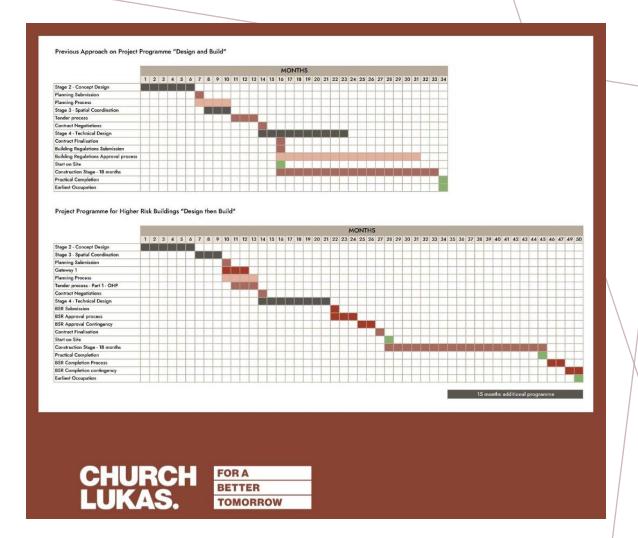
This PCSA is drafted on the basis that the parties intend to use an amended form of the JCT Design and Build Contract 2016 edition (DB 2016). However, the parties may adapt it for use with other building contracts and it requires extremely minor amendments for use with JCT Design and Build Contract 2011 edition (DB 2011).

BUILD FASTER

Construction period is the obvious place to make back time.

Greater use of MMC/offsite construction methods to improve construction periods.

Light steel framing, precast, 2D panel systems, etc. all have relative economics improved

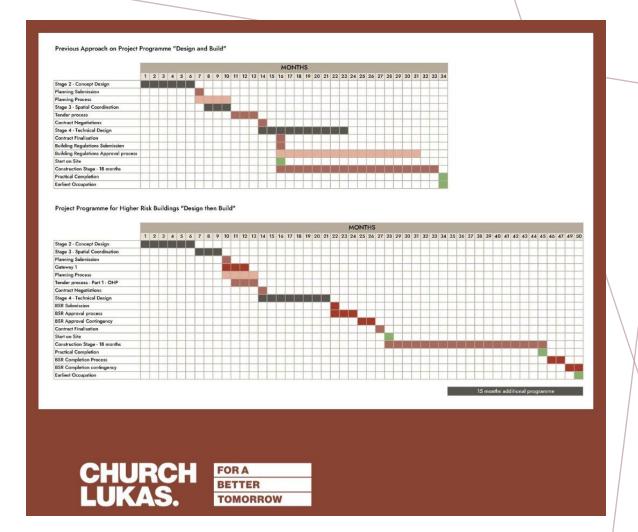


BUILD FASTER

Worked example; Total development cost - £30m

- Pre-BSR programme 34 months finance cost £2.5m
- Post-BSR programme 50 months finance cost £4.5m (£2m in additional finance costs)
- Post-BSR offsite programme 44 months finance cost £3.7m (£800k saving of finance costs)

Save £133k per month in finance costs. Circa 30% timesaving by using offsite construction



BUILD WITH ACCURACY



MMC/offsite construction naturally aids golden thread requirements.

Heavily 3D modelled feeds BIM requirements

Factory processes produce detailed QC data

Ensure testing and accreditation regimes are highly robust

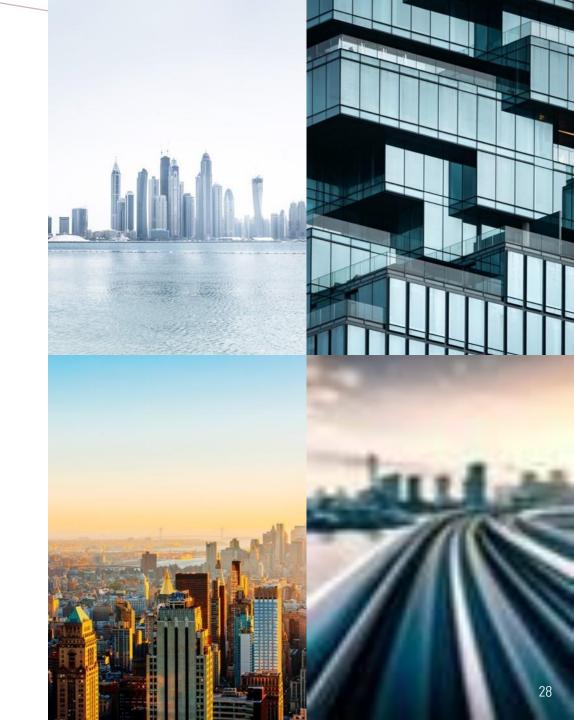
SUMMARY

Implementing the Higher Risk Building regime is an emerging environment.

We are all learning and developing strategies to respond.

The economics regarding build speed will favour MMC more over traditional construction.

Challenges will be helping Client and Contractors to realise the potential pitfalls and savings.





THANK YOU

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