

# JCT NEWS

THE JCT CONTRACTS UPDATE FOR THE CONSTRUCTION PROFESSIONAL

## UTC GLOBAL ACADEMY, LONDON

THE UK'S FIRST UNIVERSITY TECHNICAL COLLEGE TO USE OFFSITE CONSTRUCTION METHODS

Completed in 2016, the Global Academy in Hayes, West London, is a state-of-the-art school for 14–19-year-olds, aimed at students pursuing careers in the media and broadcast industries. It is one of the UK's most efficient modular buildings, and the first education establishment of its kind to use offsite construction. Mixing traditional construction methods with a state-of-the-art modular approach enabled the entire 8,700m<sup>2</sup>, £16m project to be completed within a year. A JCT Design and Build Contract provided the contract solution.

The Global Academy is a result of a collaboration between offsite specialist, Portakabin, and Surface to Air Architects. The project is developed for client, Global, the media and entertainment group and supported by the Department for Education. Built on the site of the Old Vinyl Factory, formerly the location of EMI Records, the project combined 50% traditional and 50% offsite construction to create a uniquely stylish and functional building. The school is equipped with professional recording studios, radio and TV studios, a lecture theatre and sports hall. The contemporary design and use of colour and graphic elements are a hint to the site's history of music and sound production. The combination of modern and traditional approaches enabled the project to run as smoothly as possible, as well as being



Image: Jim Stephenson

UTC Global Academy, London

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The views expressed in the articles in *JCT News* are those of the author(s) and do not necessarily reflect JCT's views.

**PROJECT SUMMARY:**

Client: ..... Global  
 Architect: ..... Surface to Air Architects  
 Contractor: ..... Portakabin  
 Cost: ..... £16m  
 Size: ..... 8,700m<sup>2</sup>  
 Contract: ..... JCT Design and Build Contract

**AWARDS AND NOMINATIONS:**

**Education Project of the Year**  
 Annual Offsite Construction Awards 2018 – winner

**Hybrid Project of the Year**  
 Annual Offsite Construction Awards 2018 – shortlisted

**Public Sector**  
 FX Awards 2017 – shortlisted

**Offsite Project of the Year**  
 Building Awards 2017 – shortlisted



Image: Jim Stephenson

a necessary working methodology to help overcome two of the project's main challenges: space and time.

The constrained amount of space on site – there was only four metres between the site boundary and the building – meant that offsite production was a major factor in being able to keep the construction works in progress. The challenging brownfield site also required extensive excavation and complex groundworks, including excavations for district heating and the construction of a new electricity sub-station. Whilst this foundation work was underway on site, Portakabin were able to build the modular elements of the project at its manufacturing site in York, and work on the interior fit-out. Developing both the offsite and traditional works simultaneously also helped in space-saving further down the line when it came time to crane in the modular elements.

Global Academy's other main challenge was timescale. With just one year to complete the project, the combination of using offsite construction with traditional techniques allowed the two elements of the works to be completed simultaneously. Being able to carry out different aspects of the works in a non-linear fashion also helped to save

time. Alongside the foundation work, a significant amount for the project was completed on-site, including the sports hall, lecture theatre and TV studios. Once the modular elements were completed at the Portakabin manufacturing site, the construction team were able to crane each module in at a rate of approximately one unit per hour when actually on site.

The completed building has a roof-lit central atrium as its focal point, with a sculptured feature staircase. The north and south elevations are completely enclosed with anodised aluminium mesh cladding from first floor to roof level, whilst below, the ground floor features full-height, ground-to-ceiling glazing. The two wings form the building's major offsite constructed modular elements. The wings are four storeys high and total 112 modules, which range in size from lengths of 6m to 18.75m and widths of 3m to 3.75m.

From the two four-storey modular sections, the curtain wall is erected on the open side of the atrium. A circulation space is created with the roof that crosses between the two wings. Another of the significant areas of offsite construction were the recording studios. These were

designed to very specific requirements and acousticians were employed to make sure the exact specifications and requirements were met.

The popularity of offsite construction is on the rise with government backing and a number of emerging players in the sector. Innovators such as Portakabin, alongside Surface to Air Architects, exemplify the efficiency and flexibility that can be achieved with the Global Academy. What makes this project unique is the way in which the strengths of both traditional and offsite construction are played to in order to maximise efficiency and mitigate against the project's challenges – in this case building on a constrained site with a very tight timescale.

The JCT Design and Build Contract is well suited to projects involving the type of complexity featured on the Global Academy. As a reflection of the project itself, it is a contract able to combine modern and traditional ways of working where the design and construction is part of a collaborative process. It is perhaps appropriate that the UK's first University Technical College to use offsite construction is dedicated to the broadcast and media industries, as its students truly have a building that's the star of the show.

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## LUCKY 13?

### Chairman's Letter



Richard Saxon CBE

Construction is many industries within one classification. It stretches from the mammoth to the minute, from infrastructure work like HS2 to household repair tasks. Any critique of construction therefore needs to recognise the part of the industry to which it refers. The statistical classification of the industry also fails to include its clients and consultants, essential parts of the cultural and economic system of the built environment. All that having been said, new initiatives at one end of the scale spectrum could create momentum for change across much of the industry.

The UK has a massive programme of infrastructure investment in progress, led by flagship projects like HS2, Heathrow expansion and Hinckley Point power station, the three Hs. £600 billion of work is in the pipeline and there has been real concern that we may not get value for money: the UK pays more for civil engineering works than other EU countries and there is a history of cost and time over-runs, coupled with low profitability, productivity and innovation in the supply side. There is even concern that the capacity to deliver the programme is not there, given the long-term falling industry labour force.

These concerns have led to a flurry of parallel initiatives from the consortium of clients for transport work, the government's Infrastructure Projects Authority (IPA) and the Infrastructure Clients Group. Each initiative has common themes but different emphasis. They all aim to shift the pattern of thought and behaviour to the long-term pursuit of value for the stakeholders and away from project-by-project focus on lowest first cost. Common components of the three, Transport Infrastructure Efficiency Strategy (TIES), Transforming Infrastructure Performance (TIP) and so-called Project 13, are an emphasis on better client skills, setting up projects more effectively, working in deeper collaboration with suppliers and using digital techniques to capture and use data as the basis of better design, construction and operation.

I concentrate on Project 13, launched in May 2018 by the Institution of Civil Engineers, as it has the most accessible explanatory material available. The material does not however explain the reasons for the name Project 13, which has been the name of a rock band, a source of help for young people

in Wales and a branding agency. Project 13 seeks to move infrastructure owners and their consultants and constructors into long-term alliances rather than project transactions. It aims to make these alliances into enterprises, with a focus on long-term value, win-win interest in innovation and a far better approach to risk. It is similar to the concept of Integrated Project Delivery (IPD) as practiced in the USA but is for longer term use over a programme of work. An 'Integrator', a firm or group charged with facilitating the programme, pulls together the owner, advisers and suppliers into an enterprise with a governance approach to articulate and deliver true value, create the right commercial environment and promote the right behaviours and leadership. The definition of 'value' in this context is a core matter and aims to capture whole-life outcomes for the owner's present and future customers and society as well as rewarding the alliance members in ways that drive good decisions.

Several infrastructure owners are committed to practice according to the principles of Project 13: Anglian Water has been working this way for a while; Heathrow plans to execute its expansion on this basis. The approach has been designed for newcomers to the idea to progress through a 'maturity matrix' of steps, from simple collaboration to integrated, high performing enterprise. These steps cover progress on governance, organisation, integration, digital transformation and owner capabilities.

What has to interest everyone in construction about these initiatives is that the leading Tier 1 contractors and professional advisers will be immersed in them and have their attitudes and business models changed. Supply chains for the major works will reach deep into the construction industry as a whole. Clients outside infrastructure with major programmes, say in universities and healthcare, will find it of interest to emulate Project 13 principles and link with firms who have adapted to working this way. The industry's strategic goals for 2025 are entirely aligned with those of Project 13. Some great changes are afoot.

This year's JCT Povey Lecture will be delivered by Richard Threlfall of KPMG. He has played a key part in developing Project 13.



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# JCTNEWS

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## JCT TRAINING

JCT Training is a new initiative from JCT, offering a range of training courses on JCT contracts, directly from the construction professionals involved in creating the JCT 2016 Edition.

The new courses cover a range of topics, from an introduction to the JCT suite and choosing the appropriate JCT 2016 contract, to courses covering specific contract families

and documents, to courses covering contractual and legal issues.

We have gathered a range of JCT experts to provide an unprecedented level of knowledge and expertise for JCT contract users. The day-long sessions give an interactive and detailed insight into the most important elements of the JCT contract process.

Each attendee of a JCT Training Course will receive materials, stationery and a confirmation of 'JCT training hours' - the only authoritative training, directly from the source. Lunch and refreshments are also provided.

**Find out more about JCT Training, including booking available courses, and find out more about our trainers by visiting: [www.jctltd.co.uk/jct-training](http://www.jctltd.co.uk/jct-training)**

### AVAILABLE COURSES

Our next available course dates are listed below.

Visit [www.jctltd.co.uk/jct-training/available-courses](http://www.jctltd.co.uk/jct-training/available-courses) to book your place today:

DATE	COURSE	TRAINER
11/09/2018	JCT Contracts 2016 – the Legal Perspective	Victoria Peckett
18/09/2018	JCT Minor Works Building Contract 2016	Peter Barnes
19/09/2018	JCT Design and Build Contract 2016	Nigel Davies
26/09/2018	Deciding on the appropriate JCT Contract 2016	John Riches
09/10/2018	JCT Intermediate Building Contract 2016	Peter Barnes
16/10/2018	JCT Contracts 2016 – the Legal Perspective	Victoria Peckett
24/10/2018	JCT Standard Building Contract 2016	Nigel Davies

## MEET THE TRAINERS

To find out more about our panel of expert trainers, visit [www.jctltd.co.uk/jct-training/meet-the-trainers](http://www.jctltd.co.uk/jct-training/meet-the-trainers)



Peter Barnes is a Director of Blue Sky ADR Ltd, and has been actively involved in the Construction Industry for over 40 years. He is a council member of JCT Council. Peter's courses focus on looking at individual contract families, looking in-depth at what provisions are included, how to correctly set out the contract and avoiding common pitfalls.



Paul Cowen is a barrister and arbitrator at 4 New Square chambers. He has 20 years of experience advising and representing parties on major construction projects. He is a member of the JCT Drafting Sub-Committee. Paul's course on Delays and Extensions of Time focuses on the main areas of risk and liability for workmanship, design, delay and costs, and explores how and why disputes occur and how they can be resolved, examining examples of hard learned lessons.



Nigel Davies has over 25 years of experience in the construction industry, originally as a quantity surveyor, then latterly as a consultant and a solicitor specialising in commercial and contractual management and construction law. He is a member of the JCT Council. Nigel's courses focus on looking at individual contract families, looking in-depth at what provisions are included, how to correctly set out the contract and avoiding common pitfalls.



Victoria Peckett is a Partner in CMS Cameron McKenna Nabarro Olswang LLP and co-heads the UK Construction Team. She has over 20 years' experience advising clients on all aspects of construction, and is chair of the JCT Drafting Sub-Committee. Victoria's courses provide the legal perspective on JCT contracts which includes getting into contract correctly, security for performance, quality obligations, insurances, and what happens if things go wrong.



John Riches is a Chartered Quantity Surveyor, Chartered Builder, Arbitrator and Adjudicator, with more than 40 years' experience in the construction industry and dispute resolution. He is the vice-chair of the JCT Drafting Sub-Committee. John's courses introduce users to the JCT suite of contracts and examine which JCT 2016 contract is most appropriate in a variety of contexts – in terms of projects and procurement approaches.



## JOINT NAMES CLAUSES CREATE OWN PROBLEMS

JOHN D WRIGHT – JD RISK ASSOCIATES

### Summary

Standard contract forms such as JCT have a long history of words and phrases being adjusted to meet the evolving demands of business and to develop more compatibility with associated businesses such as insurance. The latest adjustments under JCT 2016 provide further clarity but the fundamental question of who bears the risks in any given situation continues to exercise the minds of all who advise on such contracts.

### JCT 2016: the final touches?

The move to joint names insurance from the sole responsibility basis of the earlier editions has been a catalyst for more litigation but in the meantime other difficulties became apparent having first been raised in the 2005 edition but now dealt with more positively in JCT 2016. This refers to the availability of insurance cover on existing structures required to be insured by the employer under insurance option C1. It became apparent that the demands of cl C1 were unsuitable for certain types of employer who found that the insurance market was not sympathetic to their request for joint names protection. This applies in particular to refurbishment contracts, extensions or alterations by a tenant employer whose landlord controls the existing structures insurance. Domestic home owners or occupiers wishing to extend or refurbish their properties are in a similar position.

The solution under JCT 2016 is to provide the option of a C1 Replacement Schedule. This may specify alternative solutions such as using the contractor's public liability insurance or for the employer to take out special structures insurance.

For lower valued projects where the value is well within the insurance limits of the contractor, in particular domestic property contracts, the employer's risk in respect of those structures and their contents may be covered under the contractor's public liability insurance that he must carry to comply with cl 6.4. Such cover must not however contain a custody or control exclusion, ie of property on which

the contractor is working. Insurers will generally qualify this exclusion to allow cover for property which is temporarily in the contractor's occupation for the purpose of carrying out the works. There could still be problems. The replacement schedule may set out alternatives but this does not necessarily change the attitude of the insurance market to the risks involved. They may not accept the alternative arrangement. One area in particular relates to tenants in multi-occupancy

flats where the existing structure may be valued at millions of pounds and where insurers will be reluctant to relinquish their subrogation rights following a major loss.

The contractor should have public liability cover in place but the indemnity limit may not be sufficient to cover a major loss, particularly where the size of the contract and of the contractor is small and the cost of more layers of cover may be prohibitive. The only alternative may be for the employer to negotiate a one off special structures insurance.

Whatever solutions are adopted it is vital that a prospective employer who may not be conversant with insurance option C, particularly a tenant or domestic home owner including any member of their professional team, should consult with their construction insurance advisers at the earliest possible stage of the project. The insurers of the landlord must also be consulted. This should take place at the pre-tender stage. Before the work itself commences the contractor and his insurance advisers should be consulted. The eventual insurance programme needs to be agreed with all the parties and replacement cl C1 needs to describe accurately what has been agreed. Any lack of attention to detail may only result in more litigation.

The three insurance options have themselves been simplified in JCT 2016 by the transfer to and consolidation in s 6, along with their respective provisos relating to evidence of insurance (cl 6.12) reinstatement (cl 6.13) together with the former option C rights of termination in case

of damage to the existing structure (cl 6.14).

One further reference in JCT 2016 concerns the situation where there is an existing structure on site at the commencement of the contract but which may be of relatively low reinstatement value - say 50 per cent or less of the proposed contract value. Contract works insurers have generally taken a hard line in excluding any item however small which constitutes an existing structure, eg a small outbuilding or a retained facade or a retaining wall. It now appears that insurers when considering proposals under options A and C will consider cover on such structures. A lesser overall premium rate would apply than that payable by effecting option C insurance.

### Other changes

The third party rights in s 5 now includes a net contribution clause. This is because the JCT believes that there are circumstances where the employer's consultants could be held jointly liable with the contractor for design defects, particularly when it is considered that under cl 2.11 (with some exceptions), the employer retains responsibility for the contents of the employer's requirements (if the contractor has been given total design responsibility the above would not be suitable).

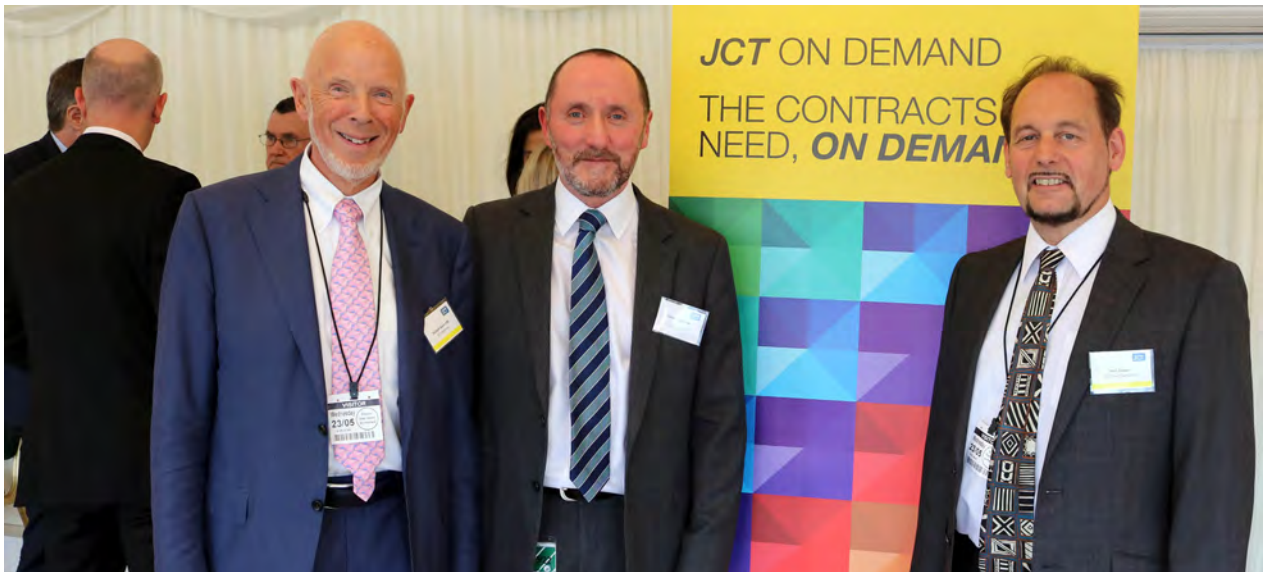
Clause 6.15 also provides the option of acquiring product liability insurance where suppliers are involved.

Pollution and contamination risks may also appear in the contract particulars so attention should be drawn to any exclusion of such risks in the professional indemnity and product liability policies.

There are also new provisions for granting performance bonds and parent company guarantees. The parties must now select whether these will be required in the contract particulars and these are now extended to include third party rights from sub-contractors.

**This above is a slightly adapted article from the article that first appeared in the May 2017 edition of Construction Law. Construction Law's website can be found at: [www.constructionlaw.uk.com](http://www.constructionlaw.uk.com)**

## JCT CELEBRATES RANGE OF NEW DIGITAL SERVICES AT PARLIAMENTARY RECEPTION



L-R: JCT chair, Richard Saxon CBE, Eddie Hughes MP, JCT chief executive, Neil Gower

JCT announced a major new development for the way construction contracts will be prepared in the digital age, with the launch of a range of new online contract services at their annual Construction Industry Parliamentary Reception, at the House of Commons on Wednesday, 23rd May 2018.

Many JCT customers will already be familiar with JCT's On Demand service, which enables users to complete their contracts online in a seamless, online environment using an interactive Q&A process.

JCT were today able to announce that a full online subscription service, JCT Construct, will soon be joining JCT On Demand, but offering a much greater range of features, including full editing functionality, version-to-version comparison, the ability to add and amend text, and the ability to grant guest access to other users to collaborate on documents.

In a presentation featuring JCT's publishers and technology partners, Thomson Reuters, Tania Quan, publishing director, explained:

"Construction and technology are two of the fastest changing areas, and so to build the new services, JCT and Thomson Reuters have had to work at the cutting edge of what

is possible and create two online services to accommodate different needs.

"The first new service, JCT On Demand, has launched and this service allows you to complete JCT Contracts in a seamless online environment, using an intuitive question and answer process which makes sure you cover all the key areas.

"The second service, JCT Construct, will follow close behind. This has already been through thousands of hours of building and testing and Construct will offer something fresh to the industry, giving users the tools to carry out editing of potentially complex project specific contractual changes and invite contracting parties to review and make amendments, with a document that will show the differences, all online.

"Whilst we can't make the negotiation itself easy, together, we can provide online tools to the industry to allow you to get through some of the most complicated phases—quickly."

The announcement of the new digital services comes at a time when JCT are also celebrating a strong performance of sales through their online store, following the publication of the JCT 2016 Edition.

JCT chair, Richard Saxon CBE, said:

"This year has been an extremely strong year for JCT, in terms of the sales of the 2016 Edition of contracts.

"Sales have been buoyed up by buyers' rising use of the JCT online store, which has proved to be exceedingly convenient to people. [...] The uptake of BIM and collaborative working is going alongside this trend.

"A lot of the speed of uptake has been down to our fortunate 15-year collaboration with Thomson Reuters. We have benefitted from their expertise as a global organisation delivering complex technology solutions [and] they have enabled us to provide this next generation of JCT digital services to the construction industry and its clients"

The JCT Construction Industry Parliamentary Reception was hosted by Eddie Hughes MP, whose career prior to becoming an MP included working as a civil engineer for Balfour Beatty and working as a construction and property manager. Eddie Hughes is the Chair for APPG for Excellence in the Built Environment and is currently a member of the Women and Equalities Select Committee.



## DUDLEY ADVANCE II – THE FRUIT OF CHANGE

KEVIN THOMAS – IPINITIATIVES



Dudley College Advance 2 building

We all know it is possible to deliver great projects using traditional construction methods. Yet we also recognise that many struggle to use these methods to their best effect. Through time our industry has suffered from fragmentation, misaligned objectives, separation, and an inconsistency of satisfactory outcome for all parties; challenges that mean fresh approaches need to be explored and existing processes need rethinking to achieve progress.

The desired outcome, of course, is to create an integrated team so well aligned and incentivised that their entire focus is on delivering a project which meets the needs of the client as quickly as possible and in an environment that is enjoyable, supportive and profitable for every member of the extended team.

This outcome is exactly what has been achieved at Dudley College under the trial

of the new Integrated Project Insurance (IPI) Delivery Model – the first of its kind in Insurance Backed Alliancing (IBA). IPI is one of the government's three new models and perhaps one of the most radical solutions under trial. So what makes the IPI Model different? To answer, let's look at one of the key challenges the Model sets out to address - overcoming the separation of the design and delivery communities.

Despite a broad spectrum of approaches on projects to include or facilitate partnering, collaboration, and early team involvement, it is still common wisdom to appoint the design team first to develop the design solution and use it to competitively procure delivery partners. The Advance II IPI Model trial took a different approach by selecting the design and delivery partners at the same time through a common OJEU process and against a strategic brief and success criteria, i.e. a description of the client's

needs. There was no solution to price and evaluation focussed on organisation skills, capabilities and behaviours.

Once appointed, the team, which included Dudley College, agreed what needed to be done, when, and by whom, brought in the appropriate supply chain partners and set off to collectively pursue a solution on a 'best for project' basis and in an incentivised open book environment. The project was carried out under the governance of a no blame/no claim Alliance Contract and Integrated Project Insurance policy which extended coverage to all team members at all levels and provided both cost overrun and latent defects protection.

By adopting this approach to early engagement and streamlining responsibility across the supply chain, the Alliance Board and its Integrated Project Team were aligned to focus delivery on



outcome based performance. And what an outcome it was, starting with the stunning high quality low carbon facility which is absolutely fit for the purpose defined by Dudley College.

A five storey teaching block with classrooms and workshops that enable hands on proficiency in advance building technologies such as CNC engineering and manufacture, low carbon installations and BIM applications and is already operating at student numbers which exceed expectations.

A linked four storey 'site hangar' that can be used for on and off site manufacturing and installation training. This unique facility has so far attracted industry partnerships with Polypipe and Elements Europe who are providing components and assemblies that enable student and in-house technicians to be trained in offloading, positioning, assembly and commissioning methods.

'Show and disclose' features, thermally adaptive building structure, natural ventilation integrated with the highly efficient external façade and controlled by occupants. All providing not only a low energy low carbon teaching space, but a space which is simultaneously a teaching tool. And the digital platform and integrated model used to construct Advance II are also provided as an exemplar for students studying BIM related technologies.

Furthermore, Advance II was fully proven and ready to use at occupation and the clinics which carried soft landings into the operational period have been suspended as operators and occupants simply aren't finding any issues to report.

The Advance II Alliance were able to declare a saving of 6.5% against the investment target and a 99% achievement of the success criteria (with 23% exceeded) and boast widespread profitability of partners and their supply

chains. And just to confirm what Dudley College thought about it – we are already underway their next investment, a c.£25m Institute of Transformational Technologies.

Not that this has happened overnight. The IPI Model has its roots in exemplar projects from the late 1990's, plus concepts that come out of the Movement for Innovation and best practice process and behavioural change published in the Strategic Forum Integration toolkit in 2003. The model is still in trials, but all the indications are that as a delivery mechanism the IPI Model has the potential to become the first in the new generation of Insurance Backed Alliancing approaches.

The good news for those seeking superior performance is that the seeds of opportunity to embrace fundamental revision of the entire construction delivery model have now reached maturity and the fruit of that change is very tasty indeed.



IPInitives



## JCT INTERVIEWS...



**BEN  
PATTON**

In this series we shed some light on some of the key people who are involved with or give their time to support JCT, to ensure that all areas of the construction industry are represented and can contribute to the development of our contracts. We will look at how our interviewees contribute to JCT specifically, and gain their views on JCT's wider role within the industry.

### **Member of the JCT Drafting Sub-Committee**

Ben Patton is a Partner and co-practice head of Ashurst's Real Estate Construction Team.

Ben specialises in non-contentious construction, acting for employers, developers, contractors and consultants in the drafting, negotiation and procurement arrangements of all forms of construction documentation, including building and engineering contracts, consultancy agreements, collateral warranties and forms of security for both public and private sector clients.

He advises across a full range of construction projects and has particular experience in complex, large-scale development projects in the real estate, energy, transport and infrastructure sectors.

**JCT: Ben, how did you first come to be involved with JCT? Why do you think it is important to be involved?**

A little over four years ago, Patrick Brown (Assistant Director (Sustainability and Construction) & Head of EU Engagement at the British Property Federation) asked if I would be interested in taking on the role of one of the members of the client college on the Drafting Sub-Committee. Patrick was keen, and I agreed, that the BPF should retain a legal expert within the college. This built upon Ashurst's membership of the BPF's Construction Committee (of which Matthew Bool, my co-practice head of Ashurst Real Estate Construction has recently agreed to be Vice Chair).

**JCT: Can you tell us about any specific work you're currently doing with JCT – for instance, your work with the JCT Drafting Sub-Committee?**

I have been actively involved in drafting the new JCT 2016 suite of contracts. I also co-presented a *Building Magazine*-hosted webinar and have written articles in relation to the 2016 suite. I continue to be involved with the drafting of the JCT's forthcoming contracts as well as other initiatives.

**JCT: Do you have any personal career highlights?**

I have worked on various multi-faceted, large-scale mandates including Crossrail throughout the project. I think among the most interesting, challenging and forward-thinking have been Westfield's developments which bookmark London at Westfield Stratford City to the East and Westfield London (White City) to the West. Both were retail-led schemes but also involved complex hotel, office, leisure, residential, energy and infrastructure challenges – in the case of Stratford as part of the lead up to the London 2012 Olympics and the third party interfaces and timeframes that brought. Westfield's development and construction platform provides a unique facility to quickly extend and enhance its original developments when market conditions are right – albeit with a need for careful procurement and interface on the legal documentation.

**JCT: What do you see as the main challenges for the construction industry over the next five years?**

It feels like a time of real change for the industry. Technological advances are transforming the building site, for example, through the use of drones and offsite manufacturing. Although modular construction has been around for decades, its use is set to increase. It offers potential solutions to some of the big challenges

the industry faces in terms of escalating construction costs, labour shortages (particularly post-Brexit) and the housing crisis. The Chancellor's endorsement of offsite manufacturing in his Autumn Budget statement was a recognition of the valuable role it could play in the future. The government is also encouraging institutionally-owned Private Rented Sector investment as another means of addressing the shortage in housing and we are seeing increasing client interest in this area.

Poor payment practice has long been on the agenda, but – post-Carillion's collapse – there is increasing momentum building towards real change, for example, through the government's review of retention practices and Peter Aldous MP's Construction (Retention Deposit Schemes) Bill, and also the Payment Practices Regulations 2017 which compel firms over a certain size to publish how long it takes them to pay invoices. There is an element of "naming and shaming" to the obligation to report payment practices and, to a certain extent, I see this as reflective of the growing emphasis on ethical and accountable business practice, for example, in relation to eradicating modern slavery, dealing with gender inequality and addressing occupational and mental health issues within the industry. On a more creative level, I think this idea of responsible business practice is giving clients greater opportunity to take a more holistic approach towards their projects, for example, by achieving better results in terms of the environmental and social impact as well as profit-generation.

**JCT: Does JCT have a wider role to play in the industry beyond producing contracts?**

JCT contracts remain the most commonly used in the UK. Although NEC contracts have gained market share, the latest NBS National Construction Contracts and Law Report 2018 found that JCT was still the most popular choice and has shown marked growth in the last year while NEC use has contracted. The tone set both within the JCT standard forms, and by the body more generally, is therefore really important within the industry. Another challenge is overcoming both the perception and the reality of the sector as one tarnished by an overly adversarial approach. The idea of a more collaborative way of procuring buildings is far from new but, with the growing focus on partnering and early contractor involvement, there are real opportunities right now for the JCT to play its part in fostering a healthier and happier construction industry.



The logo for JCT TRAINING, featuring the letters 'JCT' in white on a black rectangular background.The word 'TRAINING' in white, bold, sans-serif capital letters, positioned to the right of the 'JCT' logo.

**Learn from the JCT experts. Book your course, NOW!**

[jctltd.co.uk/jct-training](http://jctltd.co.uk/jct-training)



**New training courses on JCT contracts, directly from the construction professionals involved in creating the JCT suite of contracts.**

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