

The Hackitt Implementation Plan; what it means to our industry.

April 2019

#PELCPD
an RSK company

Your Vision, Our Solution



Martin Taylor Director of Regulatory Policy at LABC

Brent O'Halloran Director of Asset Management at The Hyde Group

Your Vision, Our Solution

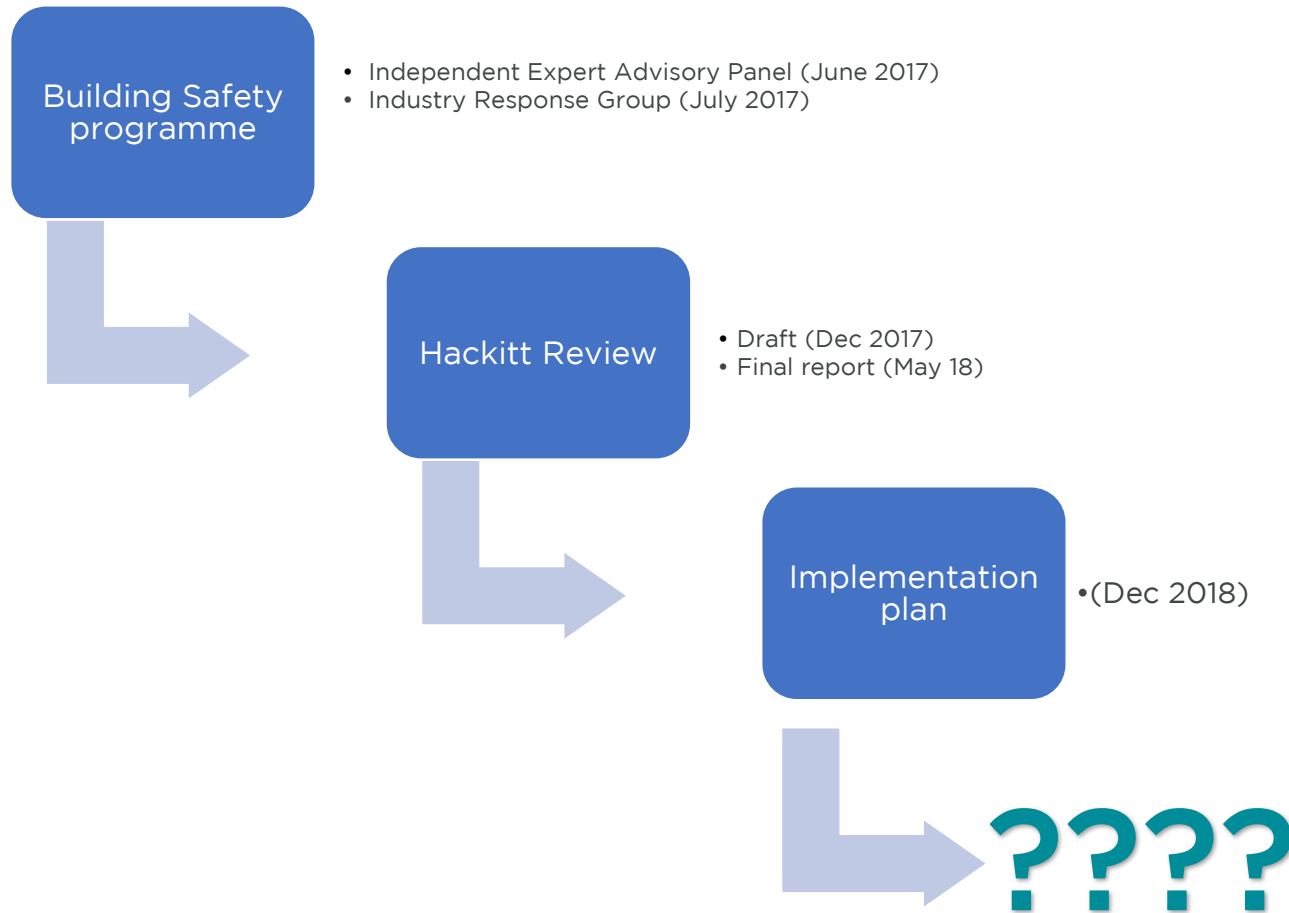


62 organisations managing over 1.2 million homes



Hackitt Review = A New Dialogue = A New Culture = A New Outcome

Journey so far....Towards Building a Safer Future



53 recommendations

MHCLG- Social Sector (Building Safety) Engagement Best Practice Group due to report in June 2019

A Pilot to develop best practice in communicating and engaging with residents on safety issues

“How can residents be best supported in this important role of working with landlords to ensure homes are safe?”

A New Deal for Social Housing (August 2018)

Are we asking the right questions.....

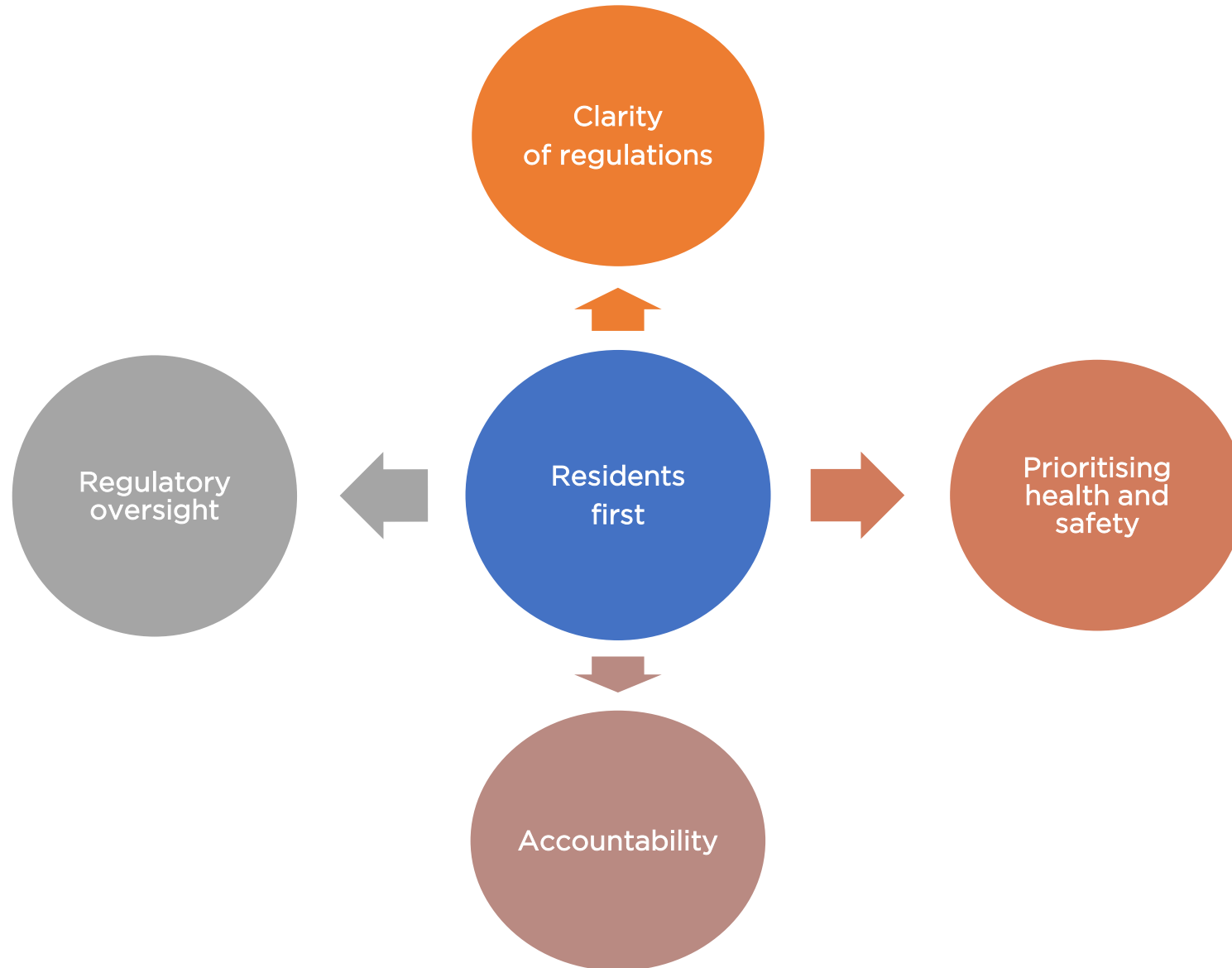


Does a Golden Thread knit together a patchwork quilt?



- Is anything ever new?
- Collaboration proposed since Egan Report in 1998 –but what's really changed?
- Will we ever solve Price vs Cost vs Value in Housing delivery and maintenance?
- Are our residents ever fully engaged?
- Do we invest in developing sector skills and competencies successfully?
- Who leads the process of delivery vs Who is in the best place to drive the change?
- Who pays for the additionality and delays of an alternative approach?
- Can we be robust in our data and understanding of our property assets at all times?

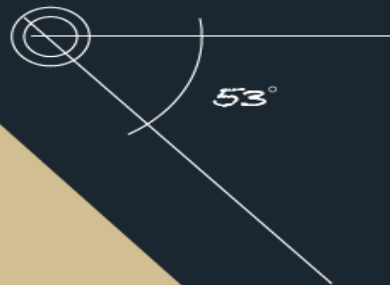
Can we have a
simple tool to
navigate through the
key issues?



Building a Safer Future - Implementation Plan

Pellings Duty Holder Event, Cavendish Conference
Centre April 2019





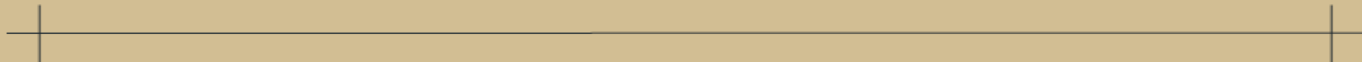
Martin Taylor

LABC Director of Regulatory Policy

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- Who LABC are.
- Our Responses post Grenfell/Hackitt
- Hackitt Implementation (4 Key Areas)
- The here and now
- Questions (let's be interactive)



Who are LABC?

Established with assistance from LGA following introduction of competition into Building Control

Share resources to match demand.

National service delivered locally.

Membership organisation that brings together and supports 320 LA BC offices across E&W representing around 3,500 BC Surveyors.





Immediately Post Grenfell

*Expert Panel Meetings
Ongoing liaison with MHCLG,
CIC, LGA, NFCC and numerous
other groups
Member support and guidance*



DJH Working Groups

*Design, Construction,
Refurbishment & Occupation
(MT)*

Golden Thread (MT)

Competency (LS)

Regulation & Guidance (BT)

All informed final report



IRG WG's and now the JRG

*Defining competency levels
across disciplines, considering
over arching body options*

*Trialing the report's
recommendations with Early
Adopters and fellow regulators.
Joint Inspection Pilots
Facilitated site/office visits*

Precursor to national/local JCA.



Our Members' Response

Working in close collaboration with F&RS, Housing/Env Health Colleagues at a local level, forming local task forces.

Assisting with the checking and remediation of existing buildings.

Assisting clients to future proof their buildings in advance of regulatory change.

Coordinated the delivery of our national response at a local level.

LABC's Response

Accelerated delivery of LABC UKASS accredited Quality Management System.

Launched LABC Qualification Pathway in partnership with CIOB and UOW

Implemented our competency framework (competency and qualifications integral to QMS).

Secured apprenticeship levy funding and coordinated delivery across our LA network.

Building a Safer Future

Independent Review of Building
Regulations and Fire Safety:
Final Report

May 2018

Dame Judith Hackitt DBE FREng

Cm 9607

Brief Overview

- Interim Report published December 2017
- Final Report published 18th May 2018
- Culture Change
- Right Behaviour
- Risk owned and managed by those who create it.
- Treat building as a system
- Take a risk based approach
- New regulatory framework focused **in the first instance** on new and **existing** multi-occupancy higher risk residential buildings (HRRB's) 10 storey or more in height.
- **This scope may extend**



**Paul
Overall**

LABC CEO

Our Response to the Publication of the Final Report

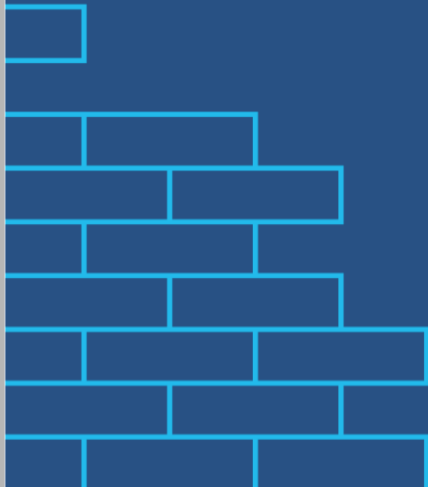
- “LABC supports the Review’s whole system approach and **all of its recommendations.**”
- “Dame Judith is very clear “What is described in the report is an integrated systematic change not a shopping list of changes which can be picked out on a selective basis””.
- “We wholeheartedly agree and urge you to introduce the changes as quickly as possible.”
- “In our consideration of your final report we have continued to liaise with key stakeholders across the industry and it has been encouraging to realise that there is almost unanimous industry wide support for the recommendations.”

Where are we now?



Building a Safer Future

An Implementation Plan



Implementation

Government have now confirmed that the report's recommendations will be implemented in full.

A plan to implement the final report published December 2018

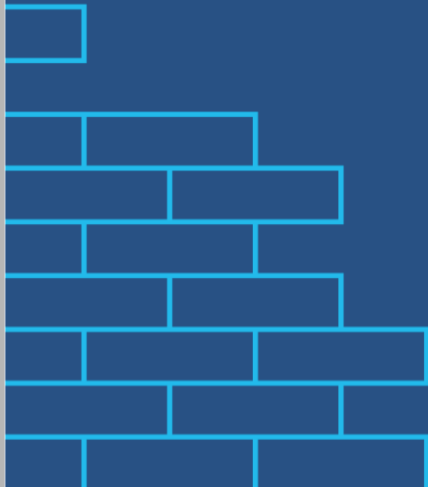
Far-reaching overhaul of the system over the coming years, four key areas:

- **1.** Stronger, more effective regulatory and accountability framework – trailing elements through a Joint Regulators Group (transition to a new framework).
- **2.** Clearer standards and guidance (clarified Part B, Call for evidence etc)
- **3.** Stronger residents voice (informed, empowered, engaged)
- **4.** Working with industry to lead and implement cultural change.

Ultimately, this is all about **Building a Safer Future**, not yet another review and has implications for all not just those involved with HRRB's

Building a Safer Future

An Implementation Plan



Implementation – 1st Key Area (Framework/JRG)

- Stronger, more effective regulatory and accountability framework.
- Trailing elements through a Joint Regulators Group (transition to a new framework).
- Working with the Early Adopters Group of Contractors
- To ensure that a new regime can hit the ground running.

Joint Regulators Group

Comprises the combined expertise of:

Health and Safety Executive

Local Government Association

National Fire Chiefs Council

LABC

Coordinated by:

Ministry for Housing, Communities and Local Government.



Joint Regulators Group – Next Steps

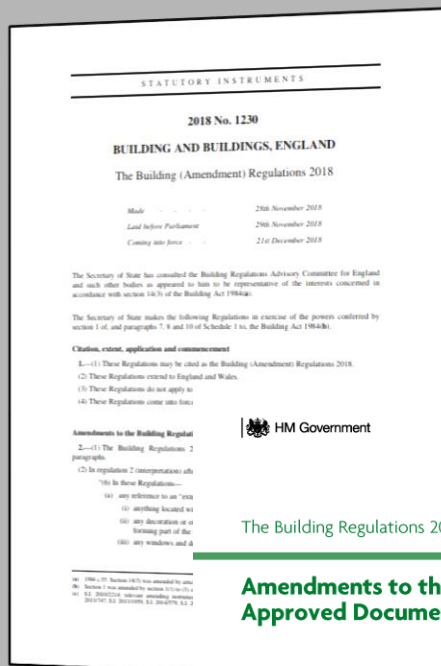
Group now convened – With working groups beneath

The working groups will continue to meet focussing on the initial priorities to help inform a MHCLG public consultation planned for the Spring.

Consultation likely to propose options and seek views in respect of the Early priority areas:

- **A1. Trial Safety Case, Gateways and Golden Thread design.**
- **B1. Clarify national and sub-national roles under the new system.**
- **B2. Minimise conflicts of interest and clarify role of associated disciplines.**
- **C1. Map regulator capabilities and requirement for skills uplift.**

Consultation will then be followed by drafting of new legislation



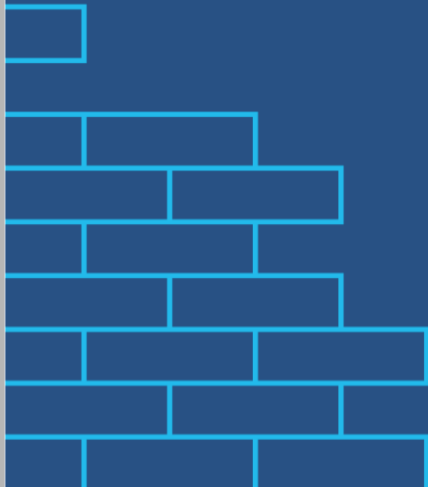
Implementation 2nd Key Area – Clearer Standards and Guidance

Much recent progress:

- The Building (Amendment) Regulations
- ADB Amendments
- Call for Evidence ADB
- Clarified ADB's

Building a Safer Future

An Implementation Plan



Implementation – 3rd Key Area (Residents Voice)

All too often residents:

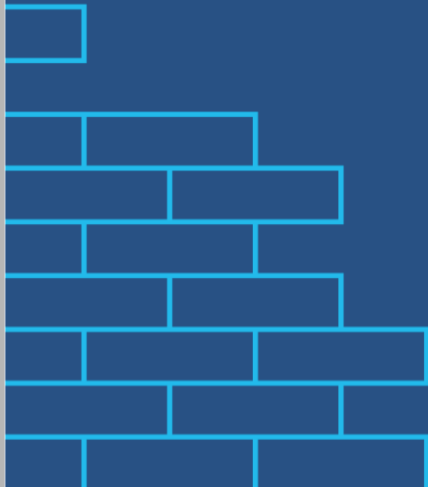
- Unclear how to raise concerns
- Feel ignored
- Not engaged
- Lack of trust, little confidence they have a voice.

Plans to consult on giving residents a stronger voice through:

- Better Engagement
- Effective escalation/redress
- Better information

Building a Safer Future

An Implementation Plan



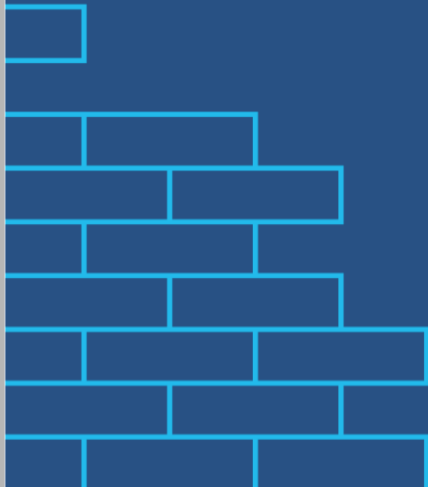
Implementation – 3rd Key Area cont. (Residents Voice)

Resident Involvement in Policy Making

- Social Sector (Building Safety) Engagement Best Practice Group (Paul Overall appointed)
- Residents Reference Panel
- Residents Organisation Meeting
- Representation on the JRG

Building a Safer Future

An Implementation Plan



Implementation – 4th Key Area (Cultural Change)

- Industry to lead cultural change/prioritise public safety.
- Champion those doing the right thing.
- Challenge those who have further to go – supporting LA's with enforcement.
- Competence legislation.
- Enhanced supported cultural change across our membership network.

All need to act now



- Cultures are changing and momentum is building
- Buildings under construction now will be regulated (as existing buildings) under the new regime

Responsibility



- Duty holder concept will underpin the new regime – clear responsibilities placed on Clients, Principal Designers and Principal Contractors
- Onus on the duty holder to demonstrate that safety is being actively and effectively managed

Regulator Intervention



- Single streamlined regulatory route with no ability to choose your own regulator
- Regulatory intervention will be very different (JRG Members as a JCA working in unison)

Gateways

- Series of 3 Robust Gateway Points:
 - 1. Planning (outline concepts B1,B4, B5)
 - 2. BC Full Plans
 - 3. Completion/occupation
- Unable to demonstrate that safety is being effectively managed can't progress through to the next Gateway
- Ability to impose robust sanctions.



Ministry of Housing,
Communities &
Local Government



NFCC
National Fire
Chiefs Council



Changing Relationships

- Regulating as regulators on in scope buildings
- Will this lead to a two tier system?
- Insurers and the duty holder concept will drive different behaviours
- Keen to develop and build new relationships now.
- We can work in partnership and together **Build a Safer Future**
- **LET'S START NOW...**



trowers & hamlin



3 April 2019

The Hackitt Report: implications for procurement and contracts

John Forde, Managing Associate, Projects & Construction

Pioneering — Bahrain — Construction — Public sector — Energy — Real estate — London — Tax — IT — Dubai — Manchester —
Connecting — Knowledge — Pragmatic — Malaysia — Exeter — Thought leadership — Housing — Agile — Creative — Connecting — Private equity
— Local government — Manchester — Environment — Focused — Islamic finance — Projects — Abu Dhabi — Corporate finance — Passionate — Team v
— Employment — Regulation — Procurement — Expertise — Specialist — Planning — Investment — Committed — Delivery — IT — Governance
— IP — Corporate — Infrastructure — Value — Development — Private wealth — Oman — Governance — Birmingham — Corporate finance —
— Dynamic — Pensions — Dispute resolution — Insight — Banking and finance — Arbitration — Diverse — Regeneration — Care — Communication —

Hackitt: a brief history

- June 2017: Grenfell Tower fire
- July 2017: Industry Response Group set up, chaired by Graham Watts (CEO of Construction Industry Council)
- September 2017: Grenfell Inquiry hearings begin
- December 2017: Hackitt publishes initial report
- May 2018: Final Hackitt Report published
- June 2018: IRG Steering Group establishes 11 working groups to consider recommendations
- July 2018: Housing Communities and Local Government Industry Committee publishes response to reports
- October 2018: Government confirms ban on use of combustible materials on external walls of high-rise residential buildings
- April 2019: Working Groups expected to report back
- 20 May 2019: Government plan to table Building Safety Bill for public consultation

Procurement Working Group

- 11 cross-industry working groups set up to address various recommendations of Report
- Working on defining competencies for those procuring high-risk residential buildings
- Final meeting on 9 April – expected to report back by end of April, together with Government’s proposed law change
- Procurement Working Group pushing “realistic” procurement practice
 - may recommend a ban on lowest price tendering for procurement of high rise residential building
 - likely to endorse use of partnering contracts (as per Hackitt Report) and complex procurements (eg Competitive Dialogue) for procurement of HRRBs

Impact of Brexit on procurement

- Public Contracts Regulations 2015 are domestic (UK) law and will remain in place until amended
- If the current Brexit deal (or some version of it) passes and is agreed by EU Commission by 12 April 2019:
 - UK will be subject to EU law until December 2020,
 - PCR 2015 will be amended to remove some EU references (eg need to advertise in OJEU)
- In the event of a No Deal, PCR 2015 will remain domestic law – unclear if and how UK will advertise via OJEU, but legal amendment likely
- In the meantime, contracting authorities have access to OJEU and UK Contracts Finder sites to advertise
- Watch this space...

Soundbites from Hackitt Report

- *“There is a need for a radical rethink of the whole system and how it works”*
- Not just about specification of cladding systems but *“an industry that has not reflected and learned for itself, nor looked to other sectors”*
- a *“race to the bottom”* culture which does not facilitate good practice
- Industry must work to implement *“a truly robust and assured approach to building the increasingly complex structures in which people live”*
- New framework must *“rebuild public confidence in the system”*

Improving procurement processes

Recommendations:

- *“The procurement process kick-starts the behaviours that we then see throughout design, constructions, occupation and maintenance.”*
- Dutyholders must ensure procurement processes used drive the correct behaviours throughout their supply chain
- Procurement needs to prioritise building safety by commissioning good quality design and using competent people
- Invitation to Tender and bid process must prioritise safety and balance cost against quality and effectiveness

Procurement process: commentary

- Report assumes some examination of supply chain practices, rather than just focusing on procurement of lead contractor
 - Possible end of two-party “design and build” contracting where all risk is shifted to the contractor?
 - Revival of use of partnering contracts?
 - More supply chain contracting/supplier frameworks?
- Requirements for competency in design and safety assumes that public sector clients have the resources to assess these competently – public sector likely to require significant support from private sector consultancy
- Possible end of desktop tendering – increased use of Competitive Dialogue and Competitive Procedure with Negotiation?

Improving pricing assessment

Recommendations:

- Aim of procurement needs to be whole life cost not lowest cost, and more focus on life-cycle costing
- Need to avoid low margins for contractors leading them to push technical and contractual risk to subcontractors

Price assessment: commentary

- Reg 67 Public Contracts Regulations 2015: provides for life-cycle costing but this has largely not been taken up in UK
- Industry preference for relative scoring models where lowest price is given 100% and other marks are scored relative to lowest price
- Most procurement consultants are procured on basis of lowest price tendering, so little incentive for innovative thinking around price assessment
- Industry/government has yet to respond with workable alternative pricing models
 - Average price model: contrary to requirement to assess MEAT?
 - Optimum price model: requires input from clients to understand how price is formed in a contract

Assessing safety requirements

Recommendations:

- Safety requirements must be effectively tested during both the tendering process and the bid review
- Tenders for high-risk buildings should set out how the solution being proposed will produce safe building outcomes, and those procuring should use the tender review process to test whether this is the case

Assessing safety: commentary

- Ongoing issue around whether public sector clients are sufficiently qualified to be able to assess safety standards competently
- At what stage during tender process should bids be reviewed for safety standards?
 - Pre-Qualification
 - Tender stage
 - Final Tender
 - Approved Bidder stage
 - Prior to signing contract
- This assessment will be extremely difficult to achieve via Open/Restricted Procedures

Recommended contract terms

Recommendations:

- Contracts must outline role and accountability of client, principal designer and contractor, and these accountabilities cannot be "handed down"
- Needs to be more focus on collaborative partnerships between client, contractor and supply chain
- Payment terms need to support supply chain rather than drive poor behaviours
- Shorter timescales should be achieved by encouraging efficiency and productivity, not by using cheaper and unsuitable materials
- Contracts for high-risk buildings should state specifically that safety requirements must not be compromised for cost reduction

Contract terms: commentary

- Many of Hackitt's recommendations are the same as Sir John Egan's report *Rethinking Constructing* (1998) which led to rise of partnering contracts and PPC2000 contract suite
 - Partnering contracts (PPC; JCT and NEC add-ons) provide processes to meet some of these requirements
 - early contractor involvement
 - collaborative working and problem solving
 - enhanced engagement with supply chain
 - contractually binding pre-construction/design process
 - open-book pricing
 - In practice, partnering contracts require an active and informed client and a contract manager who understands and can utilise contract processes
 - Will this mean the end of value engineering exercises?
-

Housing Communities and Local Government Industry report: recommendations

- Building regulations require simplification and fire safety should be addressed throughout life cycle of building
- Many of Hackitt's recommendations could be applied to wider range of buildings and construction industry as a whole
- Re Joint Competent Authorities, care must be taken to avoid duplication of responsibilities and lack of clarity over accountability
- JCAs must be sufficiently independent to take enforcement action against their own local authorities
- Industry should no longer be able to choose its own regulator
- Should be a single regulatory route for overseeing high-rise residential buildings
- Not a binary choice between “outcomes-based system” vs government prescription

Housing Communities and Local Government Industry report: recommendations (2)

- Disappointed that Report didn't address changes to Building Regulations
- Support Government proposals to adopt EU classification system for combustible materials
- Ban on combustible materials should apply to all existing buildings over 18 metres as well as all new buildings
- Government should fully fund replacement of any external cladding that is subsequently banned
- Requirement for further research and testing of cladding systems
- Government needs to engage with fire safety experts and the industry to get more support for testing regime
- Ban on Fire Rescue Authorities providing commercial fire safety advice
- Sprinklers should be retro-fitted into existing buildings
- Desktop studies should be based on primary test evidence
- Conflicts of interest in industry should be avoided

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Hyde

Hyde's Building Safety TaskForce: The new normal?

Brent O'Halloran
Director of Asset Management

The Hackitt Review

- The Building Sector; *Systemic failure*
- Procurement; *A race to the bottom*
- Building management; *A lack of competence*
- Building regulation; *Not fit for purpose*
- Tenants' voice; *Ignored*
- Building safety; *A lack of responsibility*

Our approach to fire safety

- Hyde have:-
 - A dedicated Fire safety taskforce of 12 staff who work solely on the project
 - A Fire safety taskforce Board made up of Directors and staff from across the organisation
 - Our Chief Executive as Project Sponsor
 - A monthly update to EMT and regular Board updates

What we've done...

- An inspection and remediation programme;
 - Carried out FRA 4s invasive inspections
 - Conducted tenancy safety audits
 - Cladding checks – including configuration
 - Building safety compliance audits (certs.)
 - Joint inspections with fire and rescue services
 - Commissioned expert advice; Fire engineers, Fire consultants, cladding manufacturers

What we've found...







Bolanachi Building
9-80



Prospect House







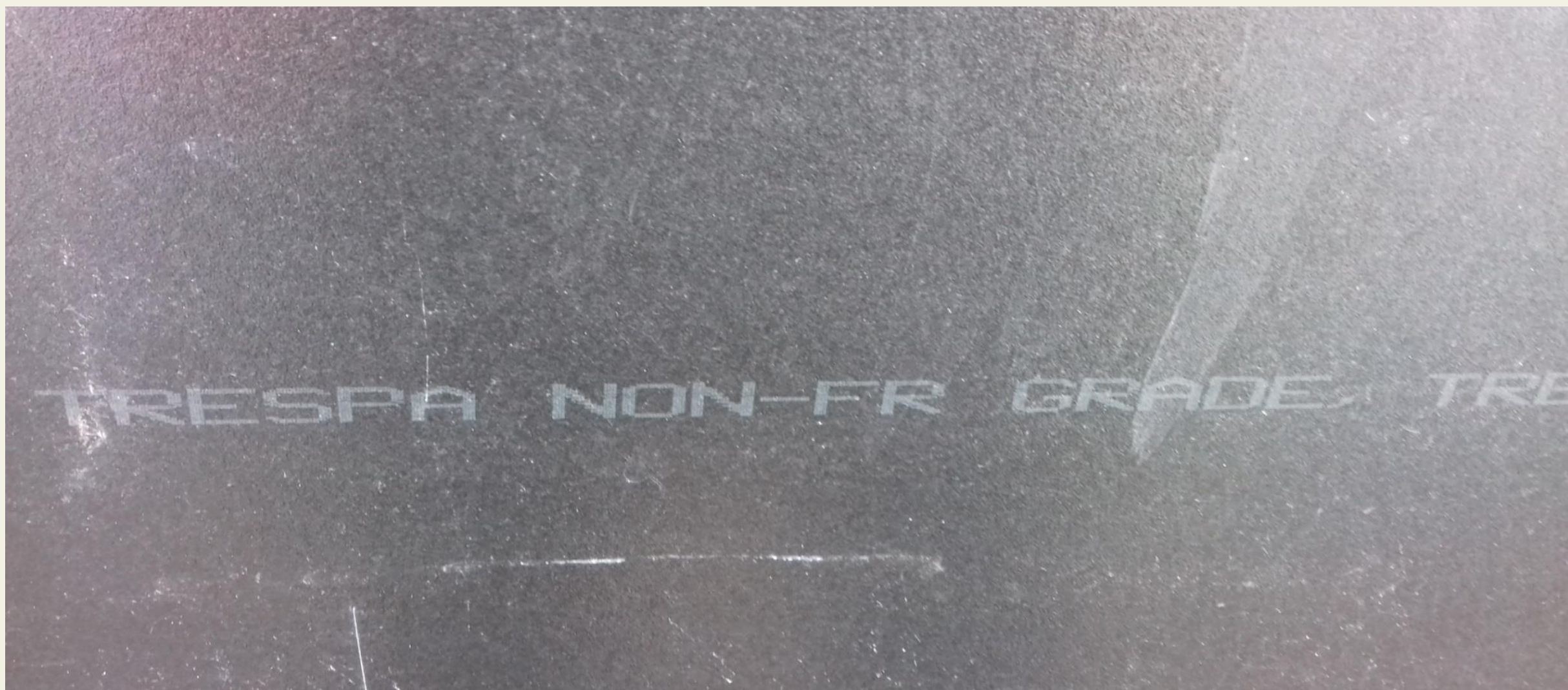


Compartmentation Bingo

GARLAND PROGRESS CHART (chart shows flats in vertical order of stack run)					
101	102 booked 03.08	103	104	105	106
91	92	93	94	95	96
81	82	83	84	85	86
71	72	73	74	75 booked 04.08	76
61	62	63	64	65	66
51	52	53	54	55	56
41	42	43	44	45	46
31	32	33	34	35	36
21	22	23	24	25	26
11	12	13	14	15	16
1	2	3			
	Works complete		Appt booked 03 & 04.08		
	62	0	1		1

Correct as of 28/7/17 3pm			
Remaining appointments details			
		04-Aug	Remaining to book
		75	





Layers of Protection

- Hackitt recommends a system approach to risk management which we interpret as individual assessment of buildings.
- The choice and number of measures is dependent on reducing known and potential risk factors, e.g. unknown provenance of cavity barriers or compartmentation provision, measures to be proportionate to the risk posed.

Our approach to Layers of Protection

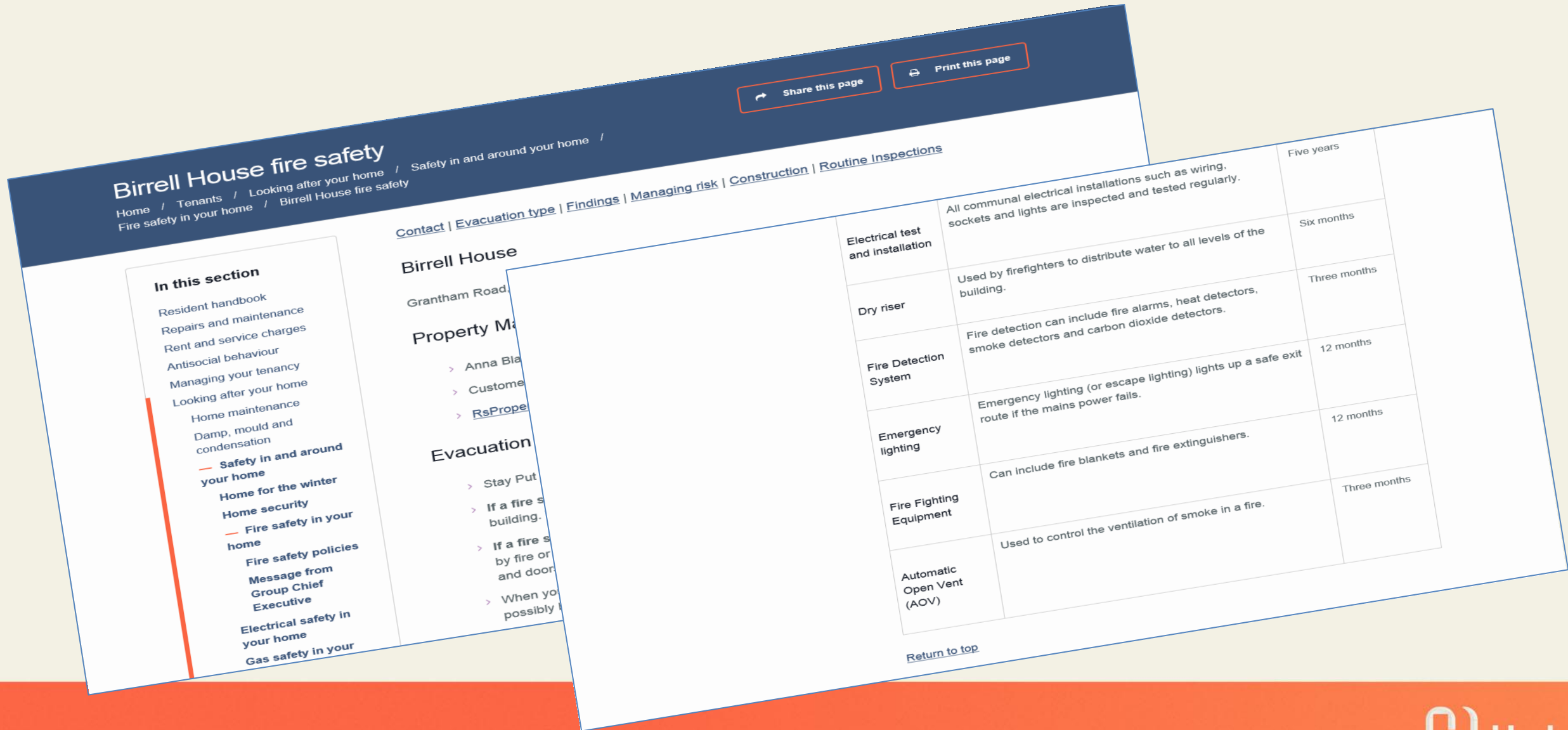
- For all buildings, regardless of height, the provision of multiple layers of protection is driven by separate strands of assessment, under each of the three headings below:-
 - 1. Measures to reduce the risk of fire occurring**
 - 2. Measures to reduce the risk of fire spreading**
 - 3. Measures to assist a safer, speedier evacuation**

Our Fire Safety MOT



Brixham Building		UPRN BLK4556 (4557)		1-13 Brixham Building, Artillery Place, Woolwich, London SE18 4AB - BLK4556 14-33 Brixham Building, Artillery Place, Woolwich, London SE18 4AB - BLK4557	
No of Units		Management Characteristics		Usage	
Flats	13	Management Area	13	Built In 20/08/2013	
Maisonettes	0	General Needs	0	1-13: The premises consist of a purpose built block housing 14 residential flats from 1st to 5th floor level. The ground floor provides and entrance and lift lobby only. The flats are accessed from secured protected lobbies at each level which provide external balcony access to flat doors.	
Studio	5	Intermediate Rent	0	14-33: The premises consist of a purpose built block housing 20 residential flats from 1st to 5th floor level. The ground floor provides and entrance and lift lobby only. The flats are accessed from secured protected lobbies at each level which provide external balcony access to flat doors.	
1 Bed	22	Other F/H or L/H	0		
2 Bed	6	Out right sale	0		
3 Bed	0	Right to Buy	17		
4 Bed	0	Shared Ownership	3		
Unknown	0	Shared Ownership 100%	33		
TOTAL	33	TOTAL	33		
Means of Escape		The means of escape is the protected staircase serving each level leading to the ground floor protected entrance lobby.			
Fire Authority Address and Distance to Building		London Fire Brigade - Plumstead Fire Station 1 Lakedale Road Plumstead SE18 1PP			
Residents Information		09/04/2018 - Email from Maud Adams, Property Manager advising no Gerda Box installed			
Gerda Box	Gerda Box / Document Box fitted	No	Pass		
	Documents available	N/A	N/A		
Tenancy Audit	Tenancy Audit	Yes	Pass		
	Total % completed	97%	Pass	Ben Bello, Head of Housing has set target of 90% of Tenancy Audits to be completed to achieve a pass	
Recommendations & Sign Off					
Director of Asset Management		Signature		Date	

Website – Fire Safety



Openness

- Residents inspected and scrutinised our FRA type 4 process
- Residents involved in the development of our LFSR
- Building safety information on our High Risk Residential Buildings published on our website
- We have QR codes in blocks we're working in, so residents can find out what's happening in their scheme
- FRA provided on request



What's worked for Hyde?

- Dedicated Fire safety taskforce with its own Project Board and CEO sponsor
- Methodical programme of audit and inspection (building safety MOT (LFSR))
- A binding financial commitment; **£50m**
- Partnership working with consultants and contractors
- Openness with residents – Building safety information

Our leaning points

- To act now rather than wait
- To have the courage of our convictions
- To take a systematic approach to inspection
- To not *unsee* what we have seen
- To prioritise based on highest risk
- To keep focused on the programme
- To quickly adapt to *the new normal*

Our Mantra

Would I be happy if I had a '*loved one*' living
in this building?

Our Stance

- **The Building and Housing sectors have to raise their game;**
 - Provide an operating framework that ensures a safe environment for residents
- **The Building and Housing sectors have to step up and take responsibility;**
 - Change our culture
 - Show leadership
 - Take a moral stance

Reflection

- We will feel the impact of Grenfell for years to come;
 - We cannot return to the old ways
- It's not just a technical problem;
 - there are also behavioural issues to tackle
- We don't have all the answers today;
 - But we are inching forward and learning
- Now is not the time to sit on the fence;
 - We all have to be brave and take action



Hyde

Brent O'Halloran
Director of
Asset Management

brent.o'halloran@hyde-housing.co.uk

Thank you

Any questions?

#PELCPD

Your Vision, Our Solution

