

# COVID-19: UK CORONAVIRUS ACT 2020 - IMPLICATIONS FOR THE CONSTRUCTION INDUSTRY

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## UK Construction Alert

By: Inga K. Hall, Saya Lee

The 359-page emergency Coronavirus Bill received royal assent on 25 March 2020. This newly passed Coronavirus Act 2020 (the "**Act**") contains extensive powers and additional measures to equip the UK government and other authorities to better respond to the COVID-19 outbreak in the UK. The new Act is time-limited to two years by a sunset clause (Section 89) and will be subject to six-month parliamentary reviews (Section 98).

The Act is primarily aimed at easing the burden on the frontline staff working for 'essential services' including the NHS, schools, police and courts, as well as providing measures for containing and slowing the spread of the virus and supporting businesses and workers. Although there are no sections in the Act specifically addressing the construction industry, the wide-ranging powers that are granted to the authorities to enable such actions and outcomes also have the potential to have an impact on the construction industry as summarised below.

### *Limiting social contact - powers to prohibit or restrict events, gatherings and access premises*

Section 52 and Schedule 22 of the Act enable the Secretary of State to restrict or prohibit gatherings and close and restrict access to premises (determined on the basis of the criteria defined in the Schedule), subject to consultation with the designated government medical officers. Such powers may be directed towards the owner or occupier of the premises, or anyone involved in managing access to and within the premises. Currently, the government has not issued any plans to force closure of construction sites, the decision being left instead with contractors and employers to decide on a site-by-site basis; however, this provision contains statutory powers that the government may exercise if it considers the need to enforce suspension of construction activities as the situation develops.

### *Statutory sick pay - options for employers and workers*

Sections 39 to 44 of the Act allow the Secretary of State to make regulations relating to the recovery of additional payments of Statutory Sick Pay ("**SSP**") by some employers for absences caused by the virus. This is designed to reduce the burden on the employers with increased staff absence. See further details here for guidance for employers in the UK - (<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/guidance-for-employers-and-businesses-on-coronavirus-covid-19>).

For workers, the Act removes the three-day 'waiting period' requirement under the original SSP framework, and allows employees to claim SSP from the first day that they stop working. See further details here for guidance for

employees - (<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-guidance-for-employees>).

#### *Emergency construction works*

Although there are only a few provisions in the Act directly related to the construction industry, the impact will be felt in the industry to the extent that the exercise of the broad new powers requires the provision of new infrastructure or altered services which the construction industry will need to provide, for example in anticipation of a significant surge in the number of patients being admitted to hospital. NHS England began works last week to convert the ExCeL centre in London into a temporary field hospital with capacity to accommodate 4,000 patients - the new hospital is named as NHS Nightingale.

The NHS has confirmed that "*further such hospitals*" would follow and similar plans are already under way to utilise the National Exhibition Centre in Birmingham, the Manchester Central Conference Centre and the Principality Stadium in Wales as temporary hospitals. Work to turn part of Birmingham Airport into a mortuary has also begun as other countries take similar action to build temporary infrastructure and facilities to cope with the rising demand.

Alongside the Act, the UK Government is also taking measures which more directly impact the construction industry, such as facilitating public sector supply chain cash flow via Procurement Policy Note 02/20.

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## KEY CONTACTS



**INGA K. HALL**  
SPECIAL COUNSEL

LONDON  
+44.20.7360.8137  
[INGA.HALL@KLGATES.COM](mailto:INGA.HALL@KLGATES.COM)

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