



## BREXIT - Opportunity and risk in construction

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Talk to Sociedad Chilena de Derecho de la Construcción

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9 November 2017

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## Introduction

- On 1 January 1973 the UK joined the European Economic Community
- On 5 June 1975 a referendum took place in the UK to decide whether the UK should stay in the European Community - Yes 67.22% No 32.77%
- 64.62% voted
- 23 June 2016 a referendum took place in the UK the question being asked was whether the UK should remain part of the European Union - Leave 51.89% Remain 48.11%
- 72.21% voted
- 29 March 2017 the Prime Minister of the UK triggered Article 50 of the Lisbon Treaty
- On midnight on 29 March 2019 the UK will leave the European Union

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## History

- Not been invaded since the Norman Conquest of 1066
- England has been a united country for over 1000 years
- Magna Carta the "constitution" 1215
- Union with Scotland 1606 with unification of the crowns James the first of England James the sixth of Scotland
- Empire
- Commonwealth
- UN security council
- A nuclear power

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## Construction in the UK in facts and figures (1)

- Third largest element of the economy after financial services and manufacturing.
- More money spent on new construction projects in London than the whole of France last year.
- The UK is undertaking the largest projects in Europe:
  - Wembley Stadium - 90,000 seats
  - The Olympics in 2012
  - Heathrow Terminals 5 and 2
  - Crossrail

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## Construction in facts and figures (2)

- Value of work carried out in last year in UK £140 billion US\$184 billion
- Over 2 million people are employed in the construction sector in the UK
- Some of the worlds largest companies act in the UK Construction Sector e.g.
- Multiplex Brookfield
- Land Securities
- But it is still a largely local market
- Large consultancy practices
- Arcadis

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## Crossrail

- 10% increase in the rail capacity of London
- 100 million man hours worked so far
- 40 stations 10 completely new
- Total funding for this project £14.8 billion US\$ 19billion
- Estimated effect on UK economy £42billion (Total UK economy \$2.619 trillion)
- Direct connection between Heathrow Airport and the City of London and on to Canary Wharf and City Airport.
- Will bring another 1.5 million people within 45 minutes of travel of the City of London

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## BREXIT Effect

- Estimated that 8% or 175,000 workers will be lost as a result of BREXIT.
- But, it is estimated that by 2021 we will need 179,000 more workers.
- This means a shortfall of 300,000 workers that we are going to have to find.
- Resources will become more expensive as we are due to leave the single market.
- Initially standards will not change as British Standards are the same as European Standards.
- It is quite possible that our standard will become stricter not more relaxed as in areas of health and safety the UK has been held back by Europe.

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## Post BREXIT a land or opportunity

- Its not all doom and gloom.
- The UK is already looking to trade with other nations outside of Europe.
- For countries outside of Europe it is a real opportunity to get into a market that has been largely closed off for a long time.
- There are opportunities for investment both from the UK as it looks for new investment opportunities and to the UK as we look for new partners in the 21<sup>st</sup> century.
- South America is a growing vibrant part of the world and the UK will want to play its part as a global nation in the future.



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## Partners



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Richard is experienced in advising on the amendment of standard form contracts including all forms of JCT, NEC3, ICE as well as EPC, process engineering and PFI Projects. He has drafted bespoke forms of main contract and subcontracts.

Richard has considerable experience in both domestic and international disputes and specialises in the resolution of construction and engineering disputes through the courts, arbitration, adjudication and all forms of ADR. Richard regularly acts as advocate on behalf of clients.

Richard has a particular expertise in multi-party litigation acting in a number of high-value, multi-party disputes in the Technology and Construction Court, ICC arbitration, adjudication and in mediations. He has considerable experience in adjudications including applications to enforce adjudicators' decisions and the effect of insolvency on the enforceability of an adjudicator's decision.

Richard has also been involved in disputes regarding infrastructure projects, light rail, EPC contracts, contaminated land issues, PFI agreements, modular buildings, hospitals, residential developments and sports stadia.

Richard is past Chairman of the Society of Construction Law (2013-2015) Treasurer of the Society of Construction law (2008 to 2013 and 2015 to present), Chairman of the European Society of Construction Law and member of the SCL International. He has been a council member of the SCL since 2008. He has assisted in the formation of societies of construction law in Africa, Brazil, India, Romania, Peru and Chile. He is also a member of TeCSA and King's College Construction Law Association.

### Career highlights

Many of Richard's cases have involved arbitration and adjudication, which being private processes are confidential. His reported cases include:-

CJP Builders v William Verry - A leading case on natural justice in adjudication.

Nigel Witham v Smith & Isaac - A reported case on costs and when to mediate.

West Country Renovations v Mr and Mrs McDowell - Case in which the TCC introduced new guidance on the value and types of claims to be heard in the TCC in London.

### Other activities

Richard regularly write articles for industry journals and gives talks on construction issues, both in house and at seminars. He completed the MSc in Construction Law and Arbitration at King's College London, during which he produced a dissertation exploring the application of natural justice and the Human Rights Act to adjudication.

### Out of the office

Richard enjoys the gym, playing and watching all kinds of sport, especially Rugby and Cricket (when he has the chance), travelling and spending time with his young family.

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