## Cornerstone





May 2025

Welcome to the latest edition of Cornerstone, our newsletter for the construction sector.

As usual, we have collated a mixed bag of articles on various topical issues, most notably perhaps our take on the Supreme Court's decision in the case of <u>URS Corporation Ltd v.</u> <u>BDW Trading Ltd [2025]</u> which was handed down last week. <u>Rachel Lee</u> provides a useful summary of the key takeaways from that decision, and an assessment of what this landmark judgment will mean for the construction industry as a whole moving forward.

BDW Trading Ltd was also on the receiving end of another landmark decision in its case against Ardmore Construction Ltd which established the circumstances in which the courts will grant a building liability information order. In her <u>article Kira Sharp</u> guides us through the TCCs decision in that case.

We then consider the extent to which an indefinite postponement of works can constitute a variation under the JCT suite of contracts, following the decision in <u>Grain Communications</u> <u>Ltd v Shepherd Groundworks Ltd [2024]</u>. <u>Iain Thom</u> provides some helpful <u>tips and tricks</u> for managing costs in construction projects and I look at the thorny issue of construction all risks insurance following the decision <u>Sky UK Limited and Mace Limited v. Riverstone</u> <u>Managing Agency Limited and others [2024]</u>.

In addition to the construction sector continuing to grapple with changes following implementation of the Building Safety Act, February saw the long-awaited introduction of the Procurement Act – a key piece of legislation which will impact those bidding for and working on public sector projects. <u>Naomi Westcott</u>, <u>Michael Corsham</u> and <u>Angela Li</u> summarise some of the most notable changes introduced by this legislation, as well as providing some practical <u>hints and tips</u> to help those bidding and tendering for publicly procured construction work.

We are often asked to draft and negotiate letters of reliance from consultants postcompletion of a construction project as part of a wider property/corporate acquisition, and so read with great interest the decision in the case of <u>Darcliffe Homes Limited v Glanville</u> <u>Consultants, Ground and Water Limited [2024]</u>. Edd Long and <u>Sophie Dowse</u> discuss the extent to which such letters of reliance can <u>actually</u> be relied upon following the judgment in that case.

Finally, you may have seen from our updates that we have recently welcomed <u>Sarah</u> <u>Evans</u>, <u>Simon Oats</u> and <u>lain Thom</u> to the team, all of whom have settled in well and are proving to be great assets already. We are delighted to have them on board and hope that you will have had an opportunity to meet with them already, if not soon.



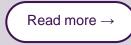
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### **Featured articles**

### Supreme Court delivers landmark judgment in URS v BDW

The Supreme Court has handed down its long-awaited decision in the case of *URS Corporation Ltd v BDW Trading Ltd* [2025] UKSC 21, dismissing URS's appeal on all grounds and delivering a judgment that will have far-reaching implications for developers, consultants, insurers, and the wider construction industry.

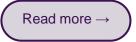






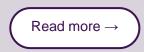
#### BSA update: TCC considers application for a building liability information order for the first time

The recent case of *BDW Trading Limited v Ardmore Construction Limited* & *Ors* [2025] *EWHC* 434 (*TCC*) represents the first time the TCC has had to consider the circumstances in which it will grant a building liability information order under s132 of the Building Safety Act 2022 (BSA).



### Can letters of reliance really be relied upon?

The recent case of *Darcliffe Homes Limited v Glanville Consultants, Ground and Water Limited* [2024] EWHC 3184 (TCC) raises questions as to the benefit of LORs after a property developer unsuccessfully bought a claim for damages against engineering consultants Glanville Consultants and Ground and Water Limited.







### Can indefinite postponement of works constitute a variation?

In the recent case of *Grain Communications Ltd v Shepherd Groundworks Ltd [2024] EWHC 3067* HHJ Kelly, sitting as a High Court judge in the Technology and Construction Court (TCC), provided significant clarity on the scope of variations under construction contracts.



# The Public Procurement Act 2023 in construction: practical tips and minimising disputes

The Public Procurement Act 2023 (PA 2023) is due to come into force on 24 February 2025. This long-awaited legislation intends to reform the public procurement framework, currently governed by the Public Contracts Regulations 2015 (PCR 2015).

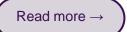






### How hard is it to keep track of cost on construction projects?

Construction projects are complex, and as they grow, they become even more challenging to manage. Despite this, there is often the hope that the tender price will be the final cost, which is rarely the case. So why does it still come as a surprise when costs increase, and why is tracking the project's progress so difficult?



### Understanding construction all risk insurance

The recent Court of Appeal decision in the case of *Sky UK Limited and Mace Limited v. Riverstone Managing Agency Limited and others [2024] EWCA Civ 1567* has significant implications for the interpretation of construction all risk insurance.



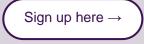
Read more  $\rightarrow$ 

### **Events**

### Construction and engineering law summer update

Our next webinar, held on 11 June 2025, will be chaired by Partner in the Construction & Engineering Team Patrick Cooney. Patrick will be joined by team members, Iain Thom, Katrina Bretten and Emma Chiaramello who will provide an update on significant cases in the construction sector, as well as highlighting the importance of AI and electronic communications in construction projects.





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