Publication of JCT Minor Works 2016 forms – the first in the JCT 2016 suite

The Joint Contracts Tribunal ("JCT") has published the first documents in its 2016 suite of agreements by way of an updated family of Minor Works forms, including the Minor Works contract (MW), Minor Works with Contractor’s Design (MW/D) and Minor Works Sub-Contract with sub-contractor’s design (MWSUB/D).

The Minor Works family of building contracts are intended for works that are simple in nature, where the works are designed by or on behalf of the employer in enough detail so that the contractor can understand the quantity and quality of the works to be provided; and where the conditions are to be administered by a consultant engaged by the employer. It is therefore popular for smaller construction or refurbishment projects, including projects for residential occupiers.

The contracts in the JCT suite continue to dominate the United Kingdom building industry, and are regularly updated to reflect changes in the law introduced by statute and common law. The suite of contracts was last published in 2011 to incorporate amendments to the payment and adjudication provisions pursuant to the amendments to the Construction Act which came into force that year.

In its February 2016 announcement, the JCT signposted the changes that it intended to introduce in the 2016 suite of documents, amounting to a gentle evolution of the forms. The amendments to the Minor Works agreements include the following:

+ provisions based on the JCT Public Sector Supplement 2011 dealing with Fair Payment, Transparency and BIM;
+ amendments to bring the conditions in line with the Construction (Design & Management) Regulations 2015 and the Public Contracts Regulations 2015;
revised provisions relating to the insurance of the works and existing structures to allow greater flexibility; and simplified payment provisions.

The amendments which will be most welcomed are those which afford flexibility in the arrangements for insurance of the works and existing structures. These have caused difficulties for residential home owner and leaseholder employers who have often been unable to obtain insurance to mirror the previous standard options. As a result, inadequate bespoke amendments have too often been used to try to adapt the conditions to the available insurance arrangements but without consideration for the consequences those amendments may have further down the contractual chain. This can lead to gaps in cover or protracted disputes between the employer, contractor and sub-contractors as to which party's insurers are on risk in the event of damage to the works and/or existing structures. This can cause uncertainty and delays in processing insurance claims in circumstances where a quick release of funds is often needed in order to carry out urgent reinstatement works.

The procedure in the 2016 JCT Minor Works contracts should ensure that all parties have given careful consideration to the most appropriate insurance arrangements in good time before the works have started, which should help avoid the problems often encountered under the previous insurance options.

We intend to provide further updates as and when the JCT publishes the latest versions of the other families of contracts in the 2016 suite.

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For further information please contact:

Tom Pemberton
Partner
T: +44 (0) 20 7469 0416
E: t.pemberton@beale-law.com

Stephen Jones
Solicitor
T: +44 (0) 20 7469 0415
E: s.jones@beale-law.com