

**Wright Hassall**  
**6<sup>th</sup> Annual Construction Update**  
**2009**

**JCT 2009/10/11/12?**

# What is the JCT?

# What is the JCT?

- **The Joint Contracts Tribunal was established in 1931 and has for 75 years produced standard forms of contracts, guidance notes and other standard documentation for use in the construction industry.**
- **In 1998 The Joint Contracts Tribunal became incorporated as a company limited by guarantee. The company is responsible for producing suites of contract documents and in operating the JCT Council.**



# What is the JCT?

## Operational Structure

- **Prior to May 1998 JCT Forms were issued and up-dated by 11 constituent bodies (reduced to 9 when the 3 Local Authority Associations merged as the Local Government Association).**
- **All new Forms and amendments required the agreement of all 9 bodies before they could be issued as JCT Forms. This question was considered in the Latham Report, which suggested that only those bodies whose members would be a signatory to a Form should have the right to approve and authorise its publication.**
- **This suggestion was adopted by the Tribunal's constituent bodies (except for the Specialist Engineering Contractors Group) when, after many years' consideration, eight of them decided to operate JCT in future through the medium of a company limited by guarantee. This company "The Joint Contracts Tribunal Limited" was incorporated on 30th March 1998 and commenced operation in May 1998.**

# What is the JCT?

- **Members**

**Association of Consulting Engineers**

**British Property Federation**

**Construction Confederation**

**Local Government Association**

**National Specialist Contractors Council**

**Royal Institute of British Architects**

**The Royal Institution of Chartered Surveyors**

**Scottish Building Contract Committee Limited**

- **Colleges**

**Construction Clients**

**Consultants' College**

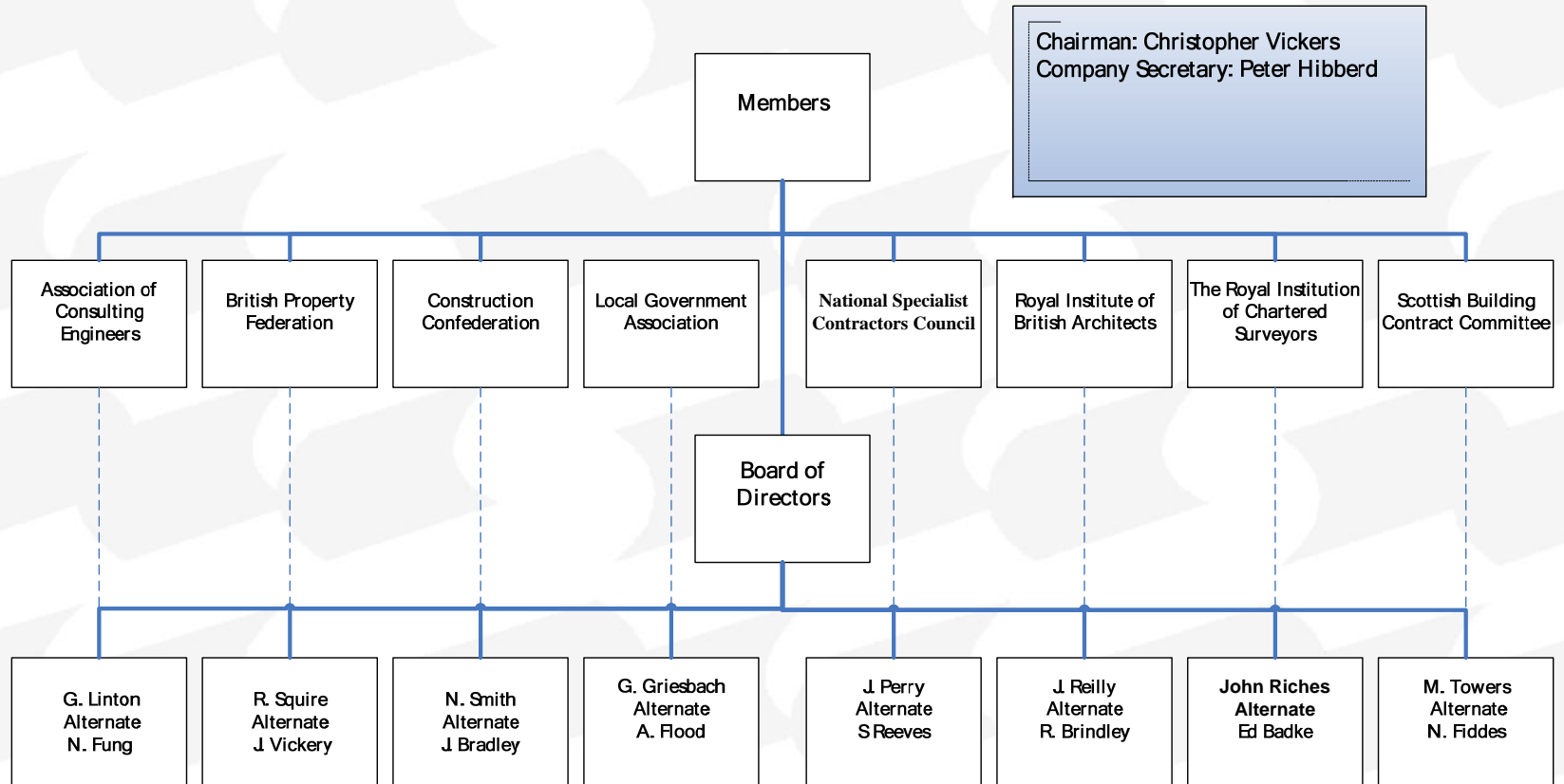
**Construction Confederation**

**National Specialist Contractors Council**

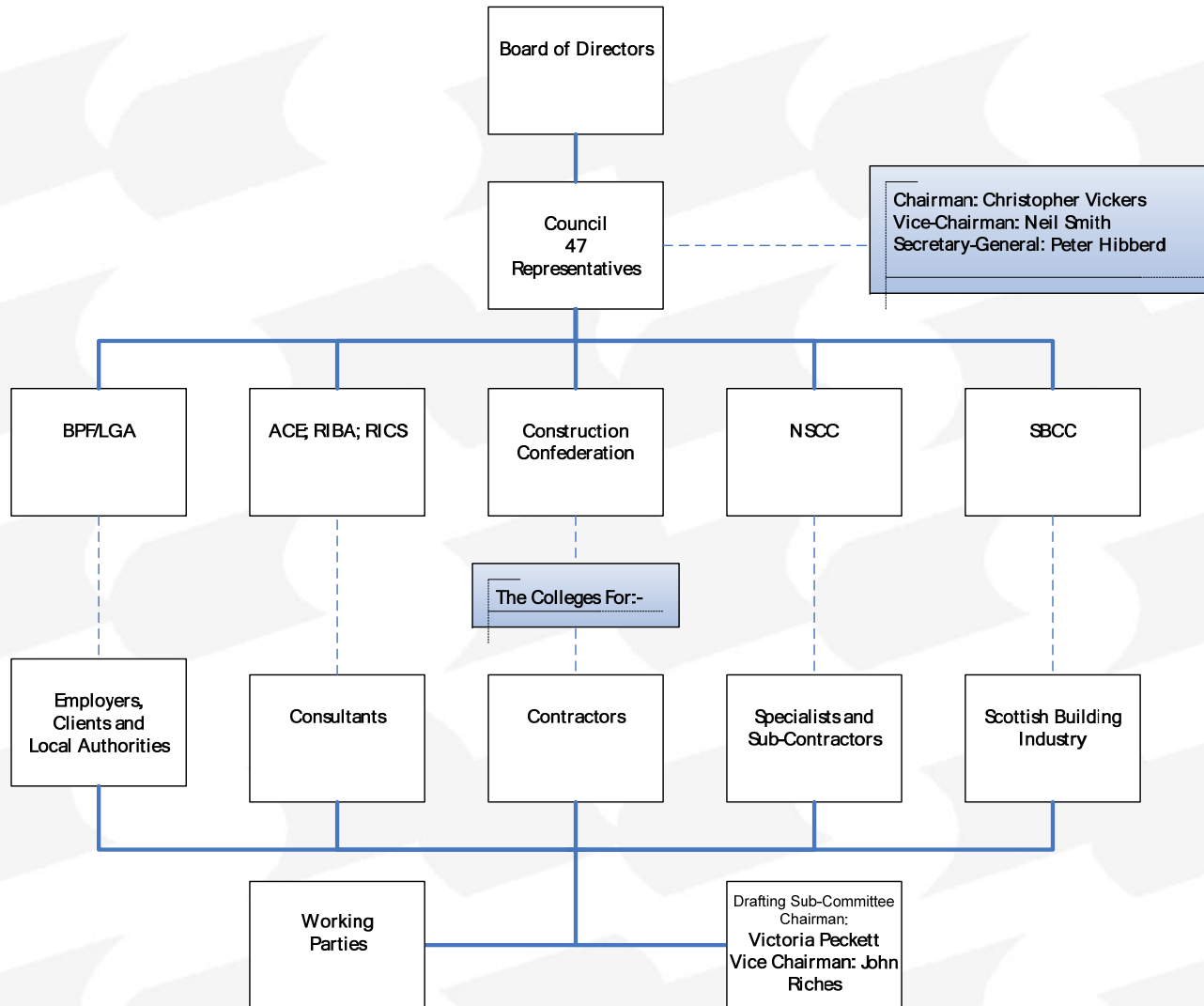
**The Scottish Building Contract Committee**



# What is the JCT?



# The JCT Council and its Colleges



# What is the JCT?

## Two Important Web Sites:-

- <http://www.jctltd.co.uk>
- <http://www.jctcontracts.com>
- **Still the most popular contracts in use see CONTRACTS IN USE A Survey of Building Contracts in Use during 2007, about to be published**

# JCT 2005 Revision 2

- **JCT 2005 published during 2005 have become well established**
- **Major change from JCT 98 to section headed format**
- **Now publishing this year Revision 2**
- **Why do we have Revisions?**
- **A tip – the template for all the JCT Contracts is the Standard Building Contract with Quantities**

# What's in Revision 2

- **Not all contracts will be designated Revision 2 only those published to date.**
- **On some contracts Revision 2 and 3 will be published together**
- **Revision 2 is a 'tidy up' of all those items that were left from the original change to 2005 plus some new provisions**

# Revision 2 an Overview

- **Additional provisions which build upon the traditional JCT approach and reflect principles adopted by the Office of Government Commerce in its Achieving Excellence in Construction (AEC) initiative;**
- **Simplification of the provisions of section 4 (Payment), at the same time incorporating further provisions with respect to failure to certify and modifying the provisions relating to payment certificates after practical completion**
- **Recognising the increasing importance of sustainability**
- **Overhaul of the provisions on notices and communications**
- **More particulars with respect to Professional Indemnity insurance requirements.**



# **Revision 2 Achieving Excellence Amendments**

- **New Supplemental Provisions Schedule 8**
- **Collaborative working**
- **Health and safety**
- **Cost savings and value improvements**
- **Sustainable development and environmental considerations**
- **Performance Indicators and monitoring**
- **Notification and negotiation of disputes**
- **Critical Path information**
- **Acceleration procedures.**

# Revision 2 Payment Section 4

- **Change to period for issue of Interim Certificates after Practical Completion**
- **Now deals with failure to issue certificates**
- **Interest runs from the date when payment would have been due had a certificate been issued.**

# Revision 2 Notices Clause 1.7

- **All notices and communications to be in writing**
- **This now includes Architect and Quantity Surveyor**
- **Recognises the wider use of email**
- **The more important documents such as termination notices must still delivered by hand, recorded delivery or special delivery**

# Revision 3

- **Date unknown. It s primary purpose is to deal with the Construction Act changes**
- **The Adjudication provisions will be easy as JCT has adopted the Scheme for Construction Contracts (England and Wales) Regulations 1998 as its Adjudication Rules**
- **The payment provisions will be more complex**

# Revision 3 Payment

- **The Construction Act as drafted is long winded and complex**
- **It is perfectly possible to go through the whole of the process miss every notice and not get paid anything**
- **The JCT has already produced two drafts for section 4 to deal with the proposals on payment**

# Revision 3 Payment

- **It is inevitable that the contract will be longer in this section**
- **The prospect of scrapping Architect's certificates has been examined**
- **The right to make an application for payment will be preserved**
- **Interest will run from when the Employer should have issued a notice and therefore paid**
- **There is a default so that there is a payment every month regardless of any possible failure in issue of notices**