

# Plain English

## Domestic contract for minor building work



This contract is based on a template contract from the Federation of Master Builders with additions from Invesmore Real Estate Limited.

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

From us (builder) \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

To you (client) \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- 1 We will carry out the work set out in the attached documents (the work) for the price set out below.  
The work does/does not include a design obligation by us.

- 2 The work will start within \_\_\_\_\_ of your acceptance (the start date) [see item 2 in the checklist].

The work will take approximately \_\_\_\_\_ to complete (the work period) [see item 3 in the checklist].  
[NB The work period is an estimate only and may be affected by any change to the work or unexpected work being needed or materials or fixtures or fittings being delivered.]

The site of the work will be \_\_\_\_\_ (the site) [see item 4 in the checklist].

The work [will/will not] \_\_\_\_\_ be covered by an insurance-backed guarantee provided by \_\_\_\_\_  
(put in name of provider if it applies).

- 3 Quotation £ \_\_\_\_\_  
VAT at % (if it applies) £ \_\_\_\_\_  
The price £ \_\_\_\_\_

Or – the rate of VAT which applies when your payment is due.

This price will be valid for acceptance until \_\_\_\_\_ (date).

- 4 If you accept this quotation and contract, you and we will have various legal obligations to each other. This quotation and contract is made up of the cover page; special meanings of words; interpretation; the contract conditions; Schedule A (the documents) and Schedule B (transfer of right to receive local authority grant or insurance money).  
To accept this quotation and contract, you must sign the bottom of this page and return it to us by \_\_\_\_\_ (date).  
This quotation and contract is only for the benefit of you and us, and no one else.

Our signature (the builder) \_\_\_\_\_

I accept this quotation and contract and agree to keep to its terms.

Your signature (first client) \_\_\_\_\_

Your signature (second client) \_\_\_\_\_

[You should be (or include) the property owner. If the property is jointly owned, you should all sign this quotation and contract. See guidance note 2.]

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_



## Special meaning of words

Certain words used in this contract have particular meanings, shown below or on the cover page. Every time we use this word, with this particular meaning, it is printed in **bold**. If the word is not in bold, we are using it in its ordinary English sense – for example the **work** and the work both appear in this contract.

### CDM

The Construction (Design and Management) Regulations 1994.

### Changes (or changing)

Refers to **changes** to the **work**. This includes anything added or left out.

### Completion date

The date on which the **work** will be substantially completed, so that the **site** is ready to be handed back to **you** ready for use, even if there are some minor defects (faults).

### Defects liability period [see item 7 in the checklist]

Six months from the **completion date**. or None.

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### Documents

The **documents** referred to in Schedule A.

### Final bill

The final price, including any changes to the **price** under conditions 16 and 21. We will add VAT to this new figure.

### Interest rate

3% a year above the Bank of England base rate.  
This is calculated:

from the date the amount was due, until the date of payment;  
daily; and at the **interest rate** in force on each day.

### Interim bill

A written interim bill every \_\_\_\_\_ days

### Price

\_\_\_\_\_ pounds (£) \_\_\_\_\_ ) plus  
VAT.

This figure may change under conditions 16 and 21.

### Provisional sum

Part of the **price**. This is an amount **we** have estimated to help **you** work out **your** costs. At the date of this contract, **we** cannot tell you what the final cost will be, because **you** have not decided which particular items **you** want. When **you** do decide, this will be a **change** to the contract [see condition 16 and guidance note 11]. In **our** final bill, **we** will adjust this to the actual cost plus **our** profit.

### Value added tax

**or VAT** at the rate in force at the date of each of **our** bills.

**We, us, our** the builder (see the contract cover page).

### Work

[see item 1 in the checklist] The **work we** will carry out, set out in the documents. The **work** \_\_\_\_\_ [does/does not] include a design obligation by **us**.

**You, your** the client (see the contract cover page).

## Interpretation

This contract is written in plain English.

In this contract references to an act of parliament or part of an act of parliament include any changes which are made to it.

If any term, condition, paragraph or sub-paragraph is invalid, it does not make any other term, condition, paragraph and sub-paragraph invalid.

If there is more than one of **us** or **you**, this contract applies to all of those people together, and to each of them on their own.

This contract is governed by the law of England and Wales.

# Contract conditions

## 1 Our main obligation - to do the work

We will carry out the work:

with reasonable care and skill and to a reasonable standard;

by the end of the **work period** (as extended under condition 24, if it applies). However, this term does not mean that if we do not complete on time, you can immediately refuse to pay us [see guidance note 3].

and keep to all building regulations

and keep to all legal requirements, which we would need to keep to in the course of carrying out the work, but only if you have told us in writing about these requirements in line with condition 9.

and, at the end of the contract, we will give you any guarantees, test certificates and so on which apply to the work. You should keep these in a safe place for use in the future.

## 2 Your main obligation - to pay us

You will pay us the price.

### 2.1 Interim payments

2.1.1 When the **contract period** is more than \_\_\_\_\_ days, we will be entitled to send you **interim bills**.

2.1.2 We will send you **interim bills** for the value of any work we have carried out up to that date, together with the cost of all goods and materials delivered to the site.

2.1.3 You must pay us within 7 days of receiving an **interim bill**.

2.1.4 You will take and keep \_\_\_\_\_% from all **interim bill** (the retention). [see condition 2.2.4]

[Put in the amount you and we have agreed you will keep. Both you and we must put initials next to that amount. See item 10 in the checklist.]

### 2.2 Final payment

2.2.1 When we have finished the work (at the completion date), we will send you the **final bill**.

2.2.2 You must pay us the price within \_\_\_\_\_ days of receiving the **final bill**.

2.2.3 We will give you credit, in the **final bill**, for all **interim bills** you have paid.

2.2.4 You will take and keep \_\_\_\_\_% from the **final bill**. You must pay us this amount at the end of the **defects liability period**, unless there are defects which still need action.

[Put in the amount you and we have agreed you will keep. Both you and we must put initials next to that amount. See item 10 in the checklist.]

3 You must allow us enough access to the site and keep the site clear of all obstructions so we can carry out the work.

## 4 Interest

You must pay us interest, at the interest rate, on any amounts overdue.

## 5 Starting the work, length of the work and the site

5.1 We will start the work on the **start date**.

5.2 You must make the site available to us on the **start date** and for the time it takes us to carry out the work.

## 6 Withholding payment

If a dispute arises, you can only withhold payment after the due date for any payment owed to us, if you give us notice:

before the final date for that payment;

saying that you are going to withhold payment; and

setting out the amount you will withhold and the reason for withholding payment. Or, if there is more than one reason, You must give each reason and the amount which applies to it. You must confirm any notice given over the phone or face-to-face in writing as soon as possible before or after the due date.

If Section 7 is not relevant. Please state 'not relevant'.

## 7 Transferring your right to receive insurance money or a local authority grant

You have the right to receive insurance money or a local authority grant. You must transfer to us your right to that money or the grant. We will use this amount towards the price. You must sign the transfer in Schedule B.

If Section 8 is not relevant. Please state 'not relevant'.

## 8 Paying the price into a bank account

8.1 Before the work starts, you must pay £\_\_\_\_\_ plus VAT [the price] or \_\_\_\_\_% of the price into the Builder's nominated bank account.

8.2 Before we start any change under condition 16 or if we need to adjust the price under condition 21, you must immediately increase or reduce the amount in the account (including VAT).

8.3 Under condition 2, you must pay us from the account.

## 9 Permissions you need

Unless we agree otherwise in writing, you must get all forms of permission you need before we start the work and keep any conditions relating to the work (including paying all the relevant fees). If you break this condition 9 you must pay us any losses and damages we suffer. When the work is completed, whoever is responsible for gaining building regulations approval or planning permission is also responsible for getting formal written confirmation that the work keeps to those regulations or permission. [See guidance note 6.]

## 10 Materials or goods

10.1 Any materials or goods we supply will be:

new, unless you agree otherwise in writing;

of satisfactory quality;

of the description you give for their type, as far as possible;

of the appropriate British standard and codes of practice, in force at the date of placing the order; and

fit for their normal purposes.

10.2 We will get any materials or goods you ask us to, as long as they are available, within a reasonable period.

10.3 We will not be liable for:

the satisfactory quality of any materials or goods you provide; or

the satisfactory quality or whether they are fit for purpose (or both) of any materials or goods if condition 25.2 applies.

10.4 If, instead of any normal purposes, you have told us about a special purpose for any materials or goods (whether under condition 10.1 or 10.2 or 10.3) you should, preferably, confirm this in writing within 14 days [see guidance note 7].

10.5 We will send you, at least 24 hours before the **start date**, a written list of any goods, materials and fixtures at the site which we need to remove, for the work period, to carry out the work. We will return these at the **completion date**, unless you tell us, preferably in writing, to get rid of any items.

## 11 Who owns materials or goods

You will not own any materials or goods delivered to the site until you have paid us.

## 12 Responsibility for the documents

12.1 You are responsible for the details shown in the documents:

12.1.1 meeting all legal requirements (including planning and building regulations); and

12.1.2 being fit for the intended purposes, unless condition 12.4 applies.

12.2 You must pay all relevant fees under this condition 12.

12.3 We are not responsible for the details shown in the documents being fit for the intended purposes, if we did not prepare those documents. Our obligation is simply to build to the details shown in those documents.

12.4 We will be responsible for the details of any documents we produce being fit for the intended purposes

## 13 Responsibility for loss and damage and insurance

### 13.1 Your obligations

#### 13.1.1 Existing structures and contents

You are responsible for any loss of and damage to any existing structures and contents, unless it falls within our obligations in condition 13.2.1.

#### 13.1.2 The work

You are not responsible for insuring the work.

#### 13.1.3 Evidence of insurance

You must take out and keep an adequate insurance policy for your liability under condition 13.1.1. We will be entitled to see this policy.

### 13.2 Our obligations

#### 13.2.1 Existing structures and contents

We will only be responsible for any loss of and damage to any existing structures and contents, if the loss and damage is caused by our negligence or by the negligence of any person we are responsible for. If part of the loss and damage is caused by someone else, we will only pay our share.

#### 13.2.2 The work

We will be responsible for insuring against any loss of and damage to the work until practical completion or you end our employment, whichever happens first.

#### 13.2.3 Insurance for design or specification

If the work involves a material design element or specification by us, we will:

- take out suitable insurance cover for at least the final estimated value of the work; and
- continue to keep that insurance until the end of the period during which legal action for any claim can be started [see guidance note 9].

#### 13.2.4 Evidence of insurance

We will take out and keep adequate insurance policies for our liability under conditions 13.2.1 and 13.2.2 and 13.2.3 and 13.3 and 13.4.

If you ask, we will provide details of the policies.

### 13.3 Liability for personal injury

13.3.1 We will pay you any losses and damages you have to pay as a result of your legal liability for personal injury to or the death of any person arising out of, or in the course of, or caused by carrying out the work. This does not apply if condition 13.3.2 applies.

13.3.2 You will be responsible for personal injury or death caused by your negligence or the negligence of any person you are responsible for.

### 13.4 Liability for damage to any property of another person

We will pay you any losses and damages you have to pay as a result of your legal liability for loss of or damage to any property of another person. This only applies if:

- it arises out of, or in the course of, or is caused by carrying out the work; and
- is caused by our negligence or the negligence of any person we are responsible for.

### 13.5 We will include you as an insured person under our insurance policies.

All insurance policies which we must have under our obligations under this condition 13 will include you as an insured person. In the insurance industry this is called an indemnity to principals clause.

You or we must immediately let the insurers know about any claims. You and we must keep to the terms and exclusions of the insurance policy. If you or we fail to do this, the insurance may no longer be valid.

## 14 Supplying services

You agree to provide for us:

- toilet and washing facilities; [Yes/No] \_\_\_\_\_
- water; [Yes/No] \_\_\_\_\_
- electricity; [Yes/No] \_\_\_\_\_
- storage space. [Yes/No] \_\_\_\_\_

Limits on how or when the site can be used. Please note as applicable or not applicable below.

15.1 You are not putting any limits on how or when the site can be used. Applicable? \_\_\_\_\_

15.2 You are putting the following limits on how or when the site can be used Applicable? \_\_\_\_\_:

15.2.1 working hours [please give details]

15.2.2 other [please give details].

## 16 Changing the work

16.1 If you want to change the work, you must :  
confirm this in writing; and  
do so within 7 days, if you first tell us.

We will then adjust the price [see guidance note 11] .

16.2 16.2.1 We will carry out any change instructed by an appropriate local authority or public utility officer, but only after giving you written notice.

16.2.2 However, if you can change those requirements, while still meeting your obligations under condition 12, you may do so. But you must tell us, in writing, before we start carrying out that change.

Whichever applies, we will adjust the price accordingly.

16.3 The price will be adjusted by:

- written agreement beforehand, if possible; or if not then
- later written agreement; or if not then
- referring to any priced documents, if this applies; or if not then
- a reasonable amount for the work done or goods supplied.

16.4 Every change which extra or revised work (As opposed to a change leaving something out) may mean extra costs

## 17 Unexpected work

If unexpected work arises, we will tell you and ask how you want us to go ahead, If so, condition 16 will apply.

## 18 Our employees or subcontractors or tradesman

You may not use or instruct our employees or subcontractors or tradesmen. If you do, you will have to pay us as if we had carried the work out.

## 19 Labour-only services. Please note as applicable or not applicable below.

We are providing labour only services. You are to provide all products, materials, fittings and the like required for the work. If you do not

provide these when required or ask us to transport or collect these items this may result in additional charges under condition 16.

**Cross out** this condition 19 if we are providing full building services. Please see item 18 in the checklist.

Is section 19 applicable? \_\_\_\_\_

## 20 Health and safety

20.1 We will be responsible for all health and safety issues relating to the work.

20.2 If CDM applies, we must keep our obligations and you must keep your obligations.

## 21 Delay or disruption

If the work is delayed or lasts longer than expected for any reason (other than our fault), we will adjust the price accordingly, as shown in condition 16.3. If it is your fault, we will be entitled to claim for any losses and expenses caused.

## 22 Your right to end this contract

Without affecting your other legal rights and remedies, you can end this contract in one (or more) of the following circumstances.

22.1 If, without reasonable cause, we:

stop work for 14 days in a row; or

fail to work steadily; and

you send us a written notice, telling us to restart work or work steadily; and we do not do this within seven days of receiving your notice [see guidance note 12].

22.2 If we become bankrupt.

22.3 If we go into liquidation.

22.4 If we make a composition or arrangement with our creditors.

22.5 If we are wound up.

22.6 If a receiver or manager is appointed over our business, unless this is to amalgamate or re-organise the business.

However, we can still use all our legal rights and remedies.

## 23 Our right to suspend or end this contract

Without affecting our other legal rights and remedies, we can suspend or end this contract in one (or more) of the following circumstances.

23.1 If you fail to pay any interim bill and still fail to pay for seven days after receiving a written notice we send demanding payment [see guidance note 12].

23.2 If you, or anyone you employ or your agent, interfere with or obstruct the work or fail to make the site available for us (without good reason) for the contract period (or any one or more of these).

23.3 If you become bankrupt or go into liquidation, or make a composition or arrangement with your creditors (or any one or more of these).

23.4 If you cause, or attempt to cause, the withdrawal or cancellation of the grant payment or insurance money referred to in condition 7.

23.5 If the work is delayed due to your fault for more than 14 days in a row

After we use our right to suspend this contract we can end it if you are still at fault (as shown in conditions 23.1 to 23.4).

We will be entitled to:

all relevant payments under condition 2.1; and

any costs involved in suspending or ending this contract; and

any losses we suffer (including loss of profit) resulting from suspending or ending this contract.

[See guidance note 15 about the duty to 'mitigate' the loss.]

However, you can still use all your legal rights and remedies (including term 6).

## 24 Extending the contract period

You will extend the contract period by a reasonable period to take into account any one (or more) of the following.

24.1 Your delayed instructions or lack of instructions on anyone (or more) of the following:

the work;

changes to the work (see condition 16); or

your choice of materials (see condition 10.2).

24.2 If we suspend this contract (see condition 23). If the work is obstructed by any matter we do not control.

24.3 Weather conditions which delay or prevent us continuing the work.

24.4 Civil commotion, wars, riots and lock-outs.

## 25 Defects liability period. Please note this section as applicable or not applicable below.

25.1 During the defects liability period we will put right any defects in the work due to faulty workmanship or materials, unless condition 25.2 applies. We will not charge you for this.

25.2 However, we will not be responsible for any one (or more) of the following defects.

25.2.1 Defects due to the conditions of the site or relevant property, that existed before we began work.

This condition 25.2.1 will only apply in the following circumstances.

a) If we consider that the condition of the site or any property next to it or the access to it may affect the work and we write and tell you this. We will have carried out our duty by giving you that warning. If you still insist that we carry out the work with the site or relevant property in this condition, you should confirm this in writing and it will be at your risk.

b) If the condition of the site or any property next to it or the access to it will affect the work and this condition could not be expected before the work started.

25.2.2 Defects caused by you or any other person or caused by any event, which happens after the completion date.

25.2.3 Anything excluded under condition 10.3 [see guidance note 13].

Is section 25 applicable? \_\_\_\_\_

## 26 Subcontracting

We can subcontract any part of the work, but we will still be responsible for the work.

## 27 Clearing the site

Before the completion date, we will remove all rubble, surplus materials, rubbish, tools and scaffolding on the site and leave it clean and tidy. We will not be responsible for removing any items you, or any person we don't control, place on the site.

## 28 Disputes

28.1 Conciliation [see guidance note 14]

You and we must both agree to conciliation taking place. If so, then the following applies.

28.1.1 If the work is covered by the MasterBond insurance or similar insurance cover, any conciliation will be under the terms of that insurance.

28.1.2 If the work is not covered by the MasterBond insurance or similar insurance cover:

you and we can agree who the conciliator will be; or

you and we can ask the Federation of Master Builders to appoint the conciliator [see condition 28.5].

## 28.2 Adjudication - the Scheme for Construction Contracts

If this contract is a construction contract, the adjudication terms of the Scheme for Construction Contracts will apply to this contract, but with the following changes.

28.2.1 The adjudicator will have the authority to deal with any dispute relating to the contract.

28.2.2 The adjudicator will have the power to open up, review, and revise certificates.

## 28.3 Arbitration or court proceedings

Any dispute or difference arising from or in connection with the work or this contract (or any one or more of these) will be dealt with as follows.

## Contract conditions (continued)

28.3.1 If the work is covered by the MasterBond insurance or similar insurance cover, under the terms of that insurance.

28.3.2 If the MasterBond insurance or similar insurance cover does not apply and the amount in dispute is within the county court small claims limit, by county court proceedings.

28.3.3 If the MasterBond insurance or similar insurance cover does not apply and the amount in dispute is above the small claims county court limit, by court proceedings.

Or, you and we can deal with the dispute by arbitration. You and we must both agree this, in writing, when the dispute arises.

### 28.4 Arbitration

If you or we refer a dispute or difference to arbitration, the following will apply.

28.4.1 The arbitrator will be a person:

agreed between us and you; or

appointed by the Federation of Master Builders, at the request of either you or us [see condition 28.5].

28.4.2 The arbitration will be carried out under the Arbitration Act 1996 and the Construction Industry Model Arbitration Rules 1998.

28.4.3 If the arbitrator:

28.4.3.1 is unable or unwilling to act; or

28.4.3.2 becomes unable or unwilling to act; or

28.4.3.3 resigns;

you and we can agree a new arbitrator. Or, either you or we may ask the Federation of Master Builders to appoint a new arbitrator. This condition 28.4.3 applies as many times as is necessary.

### 28.5 When the Federation of Master Builders appoints a conciliator or arbitrator

Conciliators or arbitrators appointed by the Federation of Master Builders, are chosen from the Federation's panel of members of:

the Chartered Institute of Arbitrators;

the Royal Institution of Chartered Surveyors (RICS);

### 29 This contract

This contract is made up of the cover page; special meanings of words; interpretation; contract conditions; Schedule A (the documents); and Schedule B (transfer of right to receive local authority grant or insurance money).

### 30 Referral fees

This Referral Fee Agreement (hereinafter the "Agreement") is made on (the "Effective Date"), by and between The Builder, (hereinafter referred to as "Builder") and of The Client, (hereinafter referred to as "Client") and of Invesmore Real Estate Ltd, (hereinafter referred to as "Referrer"). The Building Contract (hereinafter referred to as "Building Contract") is for building Work

WHEREAS, Client desires to purchase renovation works as specified in this contract;

WHEREAS, Referrer has contacts within the industry and desires to act as an intermediary finder of services for Client;

NOW, THEREFORE, in consideration of the premise and the mutual promises and covenants contained herein, the parties agree as follows:

30.1 LEGAL COMPLIANCE. As required by the industry, Referrer shall comply with all applicable laws and has obtained the necessary licenses.

30.2 TERM AND TERMINATION. The term of this Referral Agreement shall commence on the Effective Date and shall continue in full force and effect for a period of \_\_\_\_\_ months from the date of this Agreement (the "Term"), unless earlier terminated by either party upon at least 28 days' prior written notice.

30.3. EXCLUSIVITY. For the term of this Agreement, Referrer shall have the exclusive right to introduce prospective building contractors and construction service providers to the Client who are not already known to the Client.

30.4. FEES AND PAYMENT. This Agreement contemplates an introduction only. The Referrer's fee shall be calculated as a percentage of the net value of the goods and services bought by Client as a direct result of an introduction on a per Building Contract basis. Net value shall exclude value added tax, postage and packaging, insurance, refunds and payments not honored by a financial institution. Upon determination of referrer fees due, the Referrer shall issue an invoice to the Client and payment shall be due net (\_\_\_\_) days from the date of the invoice from

Invesmore Real Estate Limited. Invoices shall be payable on completion of works on a per Building Contract basis.

30.3 NON-CIRCUMVENTION. During the term of this Agreement, Client will not attempt to do business with, or otherwise solicit any building contractors and construction service providers found or otherwise referred by Referrer to Client for the purpose of circumventing, the result of which shall be to prevent the Referrer from realizing or recognizing a commission or Referrer's fee for this or any other Building Contract. If such circumvention shall occur the Referrer shall be entitled to any commissions due pursuant to this Agreement or Referrer's fee relating to such transaction.

30.4. FINAL AGREEMENT This Agreement represents the entire agreement with respect to the subject matter hereof and terminates and supersedes all prior understandings or agreements with respect to such matters. This Agreement may be amended only in writing signed by both parties.

30.5. LEGAL CONSTRUCTION. In the event any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability shall not affect any other provisions. This Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been contained in it.

30.6. GOVERNING LAW. This Agreement shall be governed by the laws of England and Wales, without giving effect to principles of conflicts of law.

### 30.7. SIGNATORIES.

This Agreement shall be executed on behalf of by and on behalf of by the client. The Agreement shall be effective as of the Effective Date first written above.

30.8 PAYMENT. The price may vary on a per Building Contract basis. You will receive an invoice for each Building Contract undertaken by The Builder or building contractors and construction service providers found or otherwise referred by Referrer to Client. Upon submission of an invoice from Invesmore Real Estate upon completion of work related to this Building Contract you must pay £\_\_\_\_\_ plus VAT [the price] or \_\_\_\_\_% of the Price to Invesmore Real Estate.

You and we agree the terms of this contract. Signing this contract will mean that you and we have various legal obligations to each other.

This contract is only for the benefit of you and us, and no one else. or

This contract will also benefit anyone who later buys or leases the site from you.

### Contractor acceptance of contract

Signed for and behalf of \_\_\_\_\_  
(Name of Builders trading company if applicable)

Builders representative: \_\_\_\_\_

Builders signature \_\_\_\_\_

### Invesmore Real Estate Ltd acceptance of contract section 30: 'Referral Fees'

Signed for and behalf of \_\_\_\_\_

Representative: \_\_\_\_\_

Signature \_\_\_\_\_

### Client acceptance of contract (property owner and/or representative of all property owners applicable to the property being renovated as per this contract)

Client Name: \_\_\_\_\_

Signed for and behalf of \_\_\_\_\_  
(Name of company if applicable)

Client signature \_\_\_\_\_



## APPENDIX

## Schedule A

1 Drawings prepared by

of

and dated

and numbered

2 A detailed estimate **we** have prepared and dated

3 A specification or schedule of work prepared by

of

and dated

**4** The following extra [additional documents]. [Please give details, for example a MasterBond Warranty document]

[illegible]

# Guidance notes issued by the FMB for the Plain English domestic for minor building work

## 1 Using this contract

### 1.1 When to use it

The FMB suggest **you** and **we** use this contract:

for work up to an original value of about £50,000;

with or without an independent supervising officer;

only if there is no named subcontractor or named supplier (or both).

### 1.2 Checklist of insertions and deletions

See the attached checklist.

## 2 The client [you] and property owner

2.1 **You** can include people who do not own property.

2.2 However, **all** property owners must be named as the client.

2.3 If **you** are a tenant, **your** landlord does not need to be involved in the contract as the client. If **you** hold a tenancy agreement or a lease, that is probably enough. However, it is important to check if you need landlord's (or freeholder's) approval for the **work** and, if you do, whether it has been given. Under condition 9 of the contract **you** must get this permission.

## 3 The work period and completing the work - see the definitions and condition 1

If **we** do not reach completion at the end of the **work period**, **we** have broken the contract.

But, **you** cannot immediately end the contract. To end the contract, **you** must serve a written notice on **us** saying that:

**we** have failed to complete at the end of the **work period**; and

**we** must complete the work within a further, reasonable, period; and

if **we** fail to do so, **you** will end the contract.

This is similar to the procedure under condition 22.1. This is also the same procedure used for selling and buying houses.

## 4 Condition 7 and Schedule B - transfer of local authority grant or insurance money

The transfer is with full title guarantee. This is a technical legal term. It means that you have the authority to transfer and there are no legal rights which affect the transfer.

**We** and **you** must fill in Part 2 of Schedule B twice. **We** will send both sets to the local authority, asking them to return one set to **us**, confirming that they have received the transfer.

However, the FMB give an important warning about the transfer when it relates to a local authority grant. Some local authorities do not accept transfers as legally valid. So, **we** may still have problems in getting the local authority to pay **us** direct, even if **you** sign the transfer. The FMB has been trying to get past and present governments to put the position beyond doubt, but without success so far.

## 5 Condition 8 - if relevant, paying the price into a joint account

This is meant to help both **you** and **us**. **We** know that **you** have the money to pay **us**. **You** know that **we** do not get the money unless **you** are satisfied and authorise payment.

## 6 Condition 9 - permissions

If **you** do not know what permission **you** need, **you** should get advice from an architect or solicitor. When the work is completed, whoever is responsible for gaining building regulations approval/or planning permission is also responsible for getting formal written confirmation that the work keeps to these regulations or permission.

## 7 Condition 10.4 - fitness for purpose

**You** can ask for particular goods or materials to be used. The FMB advise that if **we** do not consider those goods or materials are appropriate, **we** should write and tell **you** this. **We** will have carried out **our** duty to **you** by giving **you** that warning. If **you** still insist on **us** using those particular goods or materials, **you** should confirm this in writing, and it will be at **your** risk.

## 8 Condition 12.3 - responsibility for the documents

If **you** give **us** drawings made by someone else, **we** are not responsible for any errors or missing details in those drawings. **We** will follow the drawings as provided.

If **we** do not consider those drawings are correct, **we** should write and tell **you** this. **We** will have carried out **our** duty to **you** by giving **you** that warning. If **you** still insist on **us** using those drawings, **you** should confirm this in writing, and it will be at **your** risk.

## 9 Condition 13.2.3 - design and specification

If the **work** does not involve any design element or specification by **us**, condition 13.2.3 will not apply.

If the **work** involves a material design element or specification by **us** condition 13.2.3 applies.

The FMB say the following.

**You** and **we** should check **our** public liability insurance policy and agree – preferably in writing – that it provides the cover **you** and **we** need.

If it does not, **we** will need separate insurance to meet condition 13.2.3.

**You** should refer the matter to an insurance adviser if you have any doubt as to what design or specification means.

## 10 Condition 15 - limits on how and when the site can be used

If **you** want to add extra limits on **us** after the contract has been signed, that will be a **change**, which will mean the price must be adjusted accordingly.

It is particularly important that **you** state in condition 15.2 if **you** are not leaving the site empty, but will still be living on:

all of the site; or

any part of the site.

## 11 Condition 16 - changing the work

We have included a changing the work form with this contract. **You** can get more copies from the FMB. The FMB advise that the best procedure is:

(preferably) to confirm any **change** instructions in writing, at the time;

to write the details of the **change** twice, with both sets



signed by **you** and **us**; and

(if possible) for **you** and **us** to agree the cost of any **change** (whether a fixed price or an estimate), at the time. If **you** and **we** do not agree the amount at the time, a provisional sum can be given. But, if that cannot be done, **we** and **you** should confirm in writing (on the **change** instructions) that no fixed price or estimate has been given at that time.

Local authority officers have different views on matters. **We** may find that something which has been approved on a previous job by a local authority officer is not accepted by a different local authority officer on **your work**. If so, a **change** may be needed to meet the local authority's requirements. So, that may not be due to a failure by **us**. The FMB advise that it is often quicker and cheaper to accept the local authority's requirements, but each case must be considered on its own facts. Every change which needs extra or revised work (as opposed to a change leaving something out) may mean extra costs.

## 12 Condition 22.1 - Your right to end this contract and Condition 23.1 Our right to suspend or end this contract.

If there is a dispute over **you** ending this contract or **us** suspending it, **you** or **we** will have to prove that a notice has been served. **You** or **we** may choose to send this notice by recorded delivery.

## 13 Period within which to bring claims and the defects liability period in condition 25

Usually **you** or **we** have six years in which to make a claim. Sometimes a longer period can apply and **you** may need to take legal advice on this. The **defects liability period** – if **you** and **we** agree this – is an extra right, completely separate from, and does not in any way restrict **your** right to make a claim.

If the **defects liability period** applies, **you** should look at the special meaning of defects liability period and also at conditions 2.1.4 and 2.2.4.

When the **completion date** is reached, **you** must pay **us** all the rest of the price, except that **you** can keep back the retention (see condition 2.1.4). If any defects, which still need action, arise over the **defects liability period**, the fact that **you** are holding this retention is **our** incentive to encourage **us** to come back and deal with them. If **we** do, then at the end of the **defects liability period**, **you** must pay the retention to **us**.

## 14 Condition 28 - disputes

**We** and **you** may sort out disputes by conciliation, adjudication, arbitration or court proceedings. Both **you** and **we** must agree to a conciliation. Either **you** or **we** can ask for adjudication, arbitration or court proceedings.

Conciliation is a particular way of trying to sort out disputes which many believe to be quicker, cheaper and less formal than a court hearing or arbitration (if the conciliation is successful). An independent person, the conciliator, tries to help **you** and **us** reach agreement about how to settle the dispute.

Although the conciliator can make suggestions, she or he cannot force **you** or **us** to reach an agreement. If **you** and **we** cannot reach agreement, **you** or **we** can continue with their other, more formal, rights of adjudication, arbitration or court proceedings.

Adjudication is a quick-fix (usually 35-day) process. Adjudication, if it is used, will usually take place before arbitration or court proceedings. The right to adjudication is a legal one – and cannot be taken away, even by agreement. Adjudication only applies to 'construction contracts' (as defined in the 'Housing Grants Construction and Regeneration Act 1996'). It does not apply if **you** are living, or planning to live, on the site. If **you** do not live or plan to live at the **site**, this contract will be a construction contract, and so adjudication will apply.

However, because adjudication is quick and saves costs, **you** and **we** may want to use it, even if **you** live or plan to live on the **site**. This can be done either:

by **you** and **us** agreeing to this, preferably in writing, after the dispute has arisen; or

by amending the contract, when signing it, and adding the following condition.

'Adjudication under condition 28.2, applies to this contract, even if **you** live or plan to live on the **site**.'

**You** and **we** must sign next to that extra condition.

Either **you** or **we** can still issue arbitration or court proceedings, after an adjudication. Arbitration or court proceedings are a more lengthy and formal process. **You** and **we** must accept the adjudicator's decision until the dispute is finally decided in arbitration or court proceedings. Remember that arbitration and court proceedings are alternatives.

## 15 Disputes (additional)

If **you** or **we** suffer any losses or damages because of the other's negligence or breach of contract, **you** or **we** can claim for that. However, the FMB advise that the person who has suffered the losses or damages (the claimant) cannot sit back and let the loss get worse. The claimant has a duty to take reasonable steps to prevent the loss from getting worse. This is called the duty to 'mitigate' your loss.

In particular, the FMB advise that the claimant must do the following.

Must take all reasonable steps to mitigate the loss.

Cannot claim for any loss or damage if she or he could reasonably have avoided it, but failed to do so.

If **you** are the claimant, **you** must give **us** a reasonable opportunity to:

check the alleged defects; and

put right those defects. If **we** do that, at **our** own cost, the loss is avoided. However, this obligation (to allow **us** to put the defect right) may not apply if **you** can prove that **we** are so incompetent that **we** would not do the work properly, even if given the chance to do so.

## Footnotes

1 This guidance note is a general guide only. You should always get specific advice.

2 This guidance note is issued by the FMB to help **you** and **us**. While it represents the FMB's view of matters, in any dispute the adjudicator or arbitrator or court will decide.

3 The FMB would be interested to hear of any decisions of any adjudicator, arbitrator or court interpreting any term of this contract. That will help the FMB to decide whether any of the current terms need changing.

Contract reference \_\_\_\_\_



Change number \_\_\_\_\_

**Our copy / Your copy**

Cross out the one which does not apply.

## Changing the work

Use this form with FMB Plain English building contracts or any other form of contract

Your name \_\_\_\_\_

Contract (site address) \_\_\_\_\_

**We** confirm that **we** have received (spoken, written, fax, e-mail or text) instructions on

\_\_\_\_\_ (Date) from (Name) \_\_\_\_\_

To change the work on this contract as follows.

Item number	Description of change	Price to be added to contract		Price to be taken from contract	
Total					
VAT					
Total					

**We will add VAT to these prices at the rate which applies when you pay us for the changes.**

Instruction to change the work confirmed. Please sign.

Your signature: \_\_\_\_\_

Our signature: \_\_\_\_\_ Date: \_\_\_\_\_

Fill in this form twice

**We** and **you** must both sign the two forms. **We** will keep one and **you** will keep the other.

Entrance [1]	x/5	Item	Description [2]	Trade	PH cost	Hrs	Pieces [3]	Material	Labour [4]	Inclusive	Yes/No	Total cost	Constructor notes	Link to scr	Link to you	Link to esti
Entrance	5	brickwork	repointing 3sqm	Trade	£0	0.0	0	£0	£0	£380	Yes	£380		<a href="https://do">https://do</a>	<a href="https://yo">https://yo</a>	
Entrance	5	internal door	replace door non glass	Trade	£0	0.0	0	£0	£0	£350	Yes	£350				
TOTAL								£0	£0	£730		£730				

Lounge [9]	x/5	Item	Description [10]	Trade	PH cost	Hrs	Pieces [1]	Material	Labour [2]	Inclusive	Yes/No	Total cost	Constructor notes	Link to scr	Link to you	Link to esti
Lounge	0	door glass to be replaced with		Trade	£0	0.0	0	£0	£0	£0	Yes	£0		<a href="https://do">https://do</a>	<a href="https://yo">https://yo</a>	
TOTAL								£0	£0	£0		£0				

Kitchen [17]	x/5	Item	Description [18]	Trade	PH cost	Hrs	Pieces [1]	Material	Labour [2]	Inclusive	Yes/No	Total cost	Constructor notes	Link to scr	Link to you	Link to esti
Kitchen	0	Item		Trade	£0	0.0	0	£0	£0	£0	Yes	£0				
Kitchen	0	Item		Trade	£0	0.0	0	£0	£0	£0	Yes	£0				
TOTAL								£0	£0	£0		£0				

general [25]	x/5	Item	Description [26]	Trade	PH cost	Hrs	Pieces [2]	Material	Labour [3]	Inclusive	Yes/No	Total cost	Constructor notes	Link to scr	Link to you	Link to esti
whole house	5	windows	reseal windows inside and out	Trade	£0	0.0	0	£0	£0	£600	Yes	£600	needing to take out pla	<a href="https://yo">https://yo</a>		
whole house	5	floor trims	<a href="#">replace floor trims where needed</a>	Trade	£0	0.0	0	£0	£0	£250	Yes	£250				
whole house	5	walls	take out nails /screws fill holes	Trade	£0	0.0	0	£0	£0	£300	Yes	£300		<a href="https://yo">https://yo</a>		
TOTAL								£0	£0	£1,500		£1,500				

Bedroom with ex	x/5	Item	Description [34]	Trade	PH cost	Hrs	Pieces [3]	Material	Labour [3]	Inclusive	Yes/No	Total cost	Constructor notes	Link to scr	Link to you	Link to esti
Bedroom with ex	5	storeroom	cover pipes, make good the boards	Trade	£0	0.0	0	£0	£0	£300	Yes	£300	make it into a walk in cl	<a href="https://do">https://do</a>	<a href="https://yo">https://yo</a>	
Bedroom with ex	5	walls & ceiling	prep and paint	Trade	£0	0.0	0	£0	£0	£450	Yes	£450		<a href="https://yo">https://yo</a>		
Bedroom with ex	5	wardrobe door	prep and paint or replace	Trade	£0	0.0	0	£0	£0	£150	Yes	£150	I prefer to replace the d	<a href="https://yo">https://yo</a>		

Bathroom [41]	x/5	Item	Description [42]	Trade	PH cost	Hrs	Pieces [4]	Material	Labour [4]	Inclusive	Yes/No	Total cost	Constructor notes	Link to scr	Link to you	Link to esti
Area	0	item		Trade	£0	0.0	0	£0	£0	£0	Yes	£0				
Area	0	item		Trade	£0	0.0	0	£0	£0	£0	??	£0				
TOTAL								£0	£0	£0		£0				

Bedroom 1 [49]	x/5	Item	Description [50]	Trade	PH cost	Hrs	Pieces [5]	Material	Labour [5]	Inclusive	Yes/No	Total cost	Constructor notes	Link to scr	Link to you	Link to esti
Bedroom	0	glue the wallpaper		Trade	£0	0.0	0	£0	£0	£0	??	£0		<a href="https://yo">https://yo</a>		
TOTAL								£0	£0	£0		£0				

Contractor total

£3,130



[1] The room or area being estimated for

[2] A clear description of the activity being estimated for.

[3] The number of items you will work with ie 3 rooms to prepare for painting

[4] The cost of materials ie sandpaper to prepare a room for painting

[5] The labour cost for an item to be done ie £50 to prepare a wall for painting

[6] If you do not have a breakdown of the cost, put an inclusive amount here i.e. £2300

[7] Link to a picture showing the item being estimated for.

[8] Link to a video clip showing the items being estimated for

[9] The room or area being estimated for

[10] A clear description of the activity being estimated for.

[11] The number of items you will work with ie 3 rooms to prepare for painting

[12] The cost of materials ie sandpaper to prepare a room for painting

[13] The labour cost for an item to be done ie £50 to prepare a wall for painting

[14] If you do not have a breakdown of the cost, put an inclusive amount here i.e. £2300

[15] Link to a picture showing the item being estimated for.

[16] Link to a video clip showing the items being estimated for

[17] The room or area being estimated for

[18] A clear description of the activity being estimated for.

[19] The number of items you will work with ie 3 rooms to prepare for painting

[20] The cost of materials ie sandpaper to prepare a room for painting

[21] The labour cost for an item to be done ie £50 to prepare a wall for painting

[22] If you do not have a breakdown of the cost, put an inclusive amount here i.e. £2300

[23] Link to a picture showing the item being estimated for.

[24] Link to a video clip showing the items being estimated for

[25] The room or area being estimated for

[26] A clear description of the activity being estimated for.

[27] The number of items you will work with ie 3 rooms to prepare for painting

[28] The cost of materials ie sandpaper to prepare a room for painting

[29] The labour cost for an item to be done ie £50 to prepare a wall for painting

[30] If you do not have a breakdown of the cost, put an inclusive amount here i.e. £2300

[31] Link to a picture showing the item being estimated for.

[32] Link to a video clip showing the items being estimated for

[33] The room or area being estimated for

[34] A clear description of the activity being estimated for.

[35] The number of items you will work with ie 3 rooms to prepare for painting

[36] The cost of materials ie sandpaper to prepare a room for painting

[37] The labour cost for an item to be done ie £50 to prepare a wall for painting

[38] If you do not have a breakdown of the cost, put an inclusive amount here i.e. £2300

[39] Link to a picture showing the item being estimated for.

[40] Link to a video clip showing the items being estimated for



[41] The room or area being estimated for

[42] A clear description of the activity being estimated for.

[43] The number of items you will work with ie 3 rooms to prepare for painting

[44] The cost of materials ie sandpaper to prepare a room for painting

[45] The labour cost for an item to be done ie £50 to prepare a wall for painting

[46] If you do not have a breakdown of the cost, put an inclusive amount here i.e. £2300

[47] Link to a picture showing the item being estimated for.

[48] Link to a video clip showing the items being estimated for

[49] The room or area being estimated for

[50] A clear description of the activity being estimated for.

[51] The number of items you will work with ie 3 rooms to prepare for painting

[52] The cost of materials ie sandpaper to prepare a room for painting

[53] The labour cost for an item to be done ie £50 to prepare a wall for painting

[54] If you do not have a breakdown of the cost, put an inclusive amount here i.e. £2300

[55] Link to a picture showing the item being estimated for.

[56] Link to a video clip showing the items being estimated for

## Document Details

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