

Episode 213

Do I need a contract with my builder? – with Steven Thompson from RICS

The show notes: www.houseplanninghelp.com/213

Ben: First of all, I'd like you to just tell me a little bit about your background.

Steven: I'm a chartered surveyor and I have worked in construction all of my career, for consultants and for client side.

That's been involved in advising professional clients of all descriptions about their construction projects, particularly the financial management of the project, but also the contractual arrangements that would apply.

Ben: And that's exactly what we're going to discuss today, contracts. I'll put my hands up first of all, finance is sometimes where I might switch off. So, I'm hoping that you can make this as simple as it can be.

What about the issue of whether we need a contract in the first place?

Steven: Well, your own guidelines on your website – Ten most important things for a self-build – one of them is a contract, to provide security and clarity. And that's the basis of it.

Clearly, you don't need a contract. It's not a legal requirement to have one; it's a nice to have. Clearly, a contract can be verbal, it can be a handshake between the two of you as you go into a particular project, but that has the risk of one of you, the other one, the contractor saying, 'no, I didn't say that. Sorry, you must have misheard me.' Therefore, leaving matters less fixed in that way could have its advantages, it could work in your favour ...

Ben: What do you mean, could have advantages? It seems a little bit murky, as you say, unless you're both very trustworthy.

Steven: Indeed. But if you don't have a contract and something goes wrong that actually you have a dispute over with your contractor, and he

says, 'well, it doesn't say that in the contract' – you can see situations where because it doesn't say it, you can say to the contractor, 'well, I'm sorry, it's silent on that subject and therefore, we're just going to have to decide between us. You can't force me to accept something.' That's the kind of touchstone for do you have something fixed or not.

So, therefore, on balance, I would suggest it's probably better to have a formal contract that sets out what the deal is. Because as you've said on your own website, security and clarity. 'This is what you're doing, this is what we're doing. You do the work and I will pay you.' And the conditions and the provisions that sit around that are set out.

And everybody knows where they stand. That's really the best way to approach it. Formal terms. It's called, in the lingo, the intention of the parties. If it ever goes to court, that's what the judge will say. 'What did the parties intend to do on this deal, this contract, this project?'

Ben: And what if they haven't discussed that?

Steven: Well, in court, were there to be a ghastly dispute, the judge would say, 'based on the evidence in front of me, I think that the parties intended this ...' He fills in the gaps and says, 'this is what it looks like to me,' from his experience as a learned judge.

Better you don't go anywhere near there. Better that the contract is in place, it says who does what – so, not only does it say things like, 'this is what we're doing between us. This is what the contract says. This is what the building comprises,' but also what I call the what ifs.

So it's all very well saying, 'we'll do that, and I'll do that,' but then, 'what if I change my mind as a client?' You would think of course that never happens, but yes it happens all the time. So, better the contract also says, 'if I change my mind as a client, this is what happens next.' And therefore, that whole, 'let's try and work out in advance what could need to be changed.'

It won't be things that the client necessarily decides. It could be circumstances forced upon the client. Like the ground conditions and other things like that. The weather. Those sorts of things. Again, it would be good in the contract to say, 'this is what's going to happen if these future events happen.'

That really sums it up.

Ben: What ifs are always tricky, aren't they? How do we make sure we cover them all?

Steven: It's a matter of using good practice from the past. We actually know as an industry, we know as a profession, advisors, for example, the consultants know what's happened in the past and they say, 'you need to think about what could happen here, here, here and here.'

There's a whole selection of them, including, heaven forbid, insolvency, including one of the parties going bust. What happens then? Well, of course we don't want it to happen, but best to plan for it and to write it into the contract.

Which is why these days contracts tend to be quite long in terms of the number of pages. Not necessarily applicable in the world that we're talking about here for self-build, but perhaps we'll go on and explore that in a moment.

Ben: A couple of things here. The different types of contract – I know that we have a fair few – but also, is there anything so small that we actually don't need a contract and we might scare off someone if we did suggest using a contract?

Steven: Yes, there would be small things, like if you're a true self-builder and you're doing everything yourself, going down to the DIY shop and buying a box of screws. If we take contracts back to its most basic and tiniest element, that would be one example.

Now, of course there's a contract in place between the seller of the box of screws and you. But you don't stand there and say, 'we need to anticipate all the ...'

Ben: 'We need twenty-page documents.'

Steven: Absolutely. Of course not. It's just on the receipt. You get the receipt off the till and that's it. If you've got a problem with those screws, you just take them back and then you have a fight over the counter. 'They were fine when they left the shop, guv' kind of situation.

So, yes, there are situations where contracts are not only not appropriate but just hopelessly over the top.

Ben: Can you take us through some of those different types, then?

Steven: A lot Ben will depend on the size of the project, the size of the contract. And clearly, the bigger the contract, the more sensible it would be to have formal contract terms in place.

It also depends an awful lot on where you are with your contractor, assuming you're employing a contractor, and whether he would be scared off by a contract. What that spins out to, in terms of behaviours, is he wants nothing to do with you. As soon as you say, 'I'd like you to do a job please.' 'Yes, happy to do a job for you.' 'There's going to be a contract.' At that point, some builders go, 'oh-ho, I'm sorry. I'm not comfortable. The reason I'm not comfortable is because I'm out of my depth. I'd rather not work with a contract if possible.'

So, it depends on size, type of contractor you're dealing with, and the nature of the contractual relationship.

So within self-build, inevitably there'll be a number of different ways you go about the job. Clearly, you can say, 'Mister Builder, could you build the whole thing for me and I'll just sit back, fold my arms and watch you build it. You turn to me for two things: decisions and money. Other than that, I won't get involved. You're in charge of the project and you deal with it beginning to end.'

At the other end of the scale naturally in self-build world, there will be projects where you as the client and the future home occupier are passionate about wanting to be involved. Either because you're really passionate about the job and building a home fit for the family to go forward, or because you can't afford to pay for a builder and you want to do as much as you can yourself.

The different types of contract that would apply in those situations will either be the one I first mentioned, which is an overall project contract for the whole job, or you package the job up and effectively you as the client become the project manager, and you say to a number of contractors – and we might call them trade contractors...

Ben: Is this the sub-contractor route as well? Is that another way of describing it, or am I confusing things?

Steven: There's a slight confusion there in your mind because sub-contractors work for the builder. So, if we think of a groundworker, a timber frame erector, the carpenters, the electricians, the plumbers, the painters and so on, and so on, each of those distinctively different trades, they're firms who work for a builder. They are sub-contractors to the builder.

However, there's nothing to stop those firms working direct for you as the client. They're not sub-contractors anymore because there's no main contract. It's you and the trade contractor. You project manage them, you say, 'Mister Groundworker, I want you on-site

next week. Here's the price we've agreed. Could you do the job in accordance with this package of work?' And it might be a whatever value package.

That's a trade contract, and that effectively is a small construction contract between you and the contractor. So, it's like a main contract where you'd be with the builder. The difference is, you've got maybe a dozen of those with all different trades. Fine, perfectly acceptable. The downside is you're juggling all those resources yourself. You've got the headache of coordinating when they turn up, when they finish and when the next one comes in.

The builder, if you were employing him to do the whole thing, he'd have that headache and he would be turning to you and saying, 'we've got a bit of a problem with the bricklayer who can't turn up,' and you would go as client, 'that's your problem, not mine.'

If you have trade contracts, of course, you've got the headache of managing all of those independently.

Ben: If you're inexperienced like me, I decide to project manage and I've got this contract to do the first part, and I might actually get the next one to pick up but at the wrong point. I've missed something in between. Is that another danger?

Steven: That is another danger of doing what we call the procurement route by that means. Having said that, it's cheaper. So, there are very clear advantages that possibly in your mind outweigh the disadvantages of having the headache of managing.

Ben: Or fun.

Steven: How hard can it be? You know, I say, 'Mister Smith, turn up please,' and then Mister Jones, and they'll do it. Well, they don't because they say, 'I'm sorry, you said come last week. I'm now busy for three weeks.'

So, there's a headache there. That isn't solved by the contract; we're just explaining the reality of having contracts with each of the contractors, with a downside of it all can change and they all say, 'I'm sorry, bets are off now. I'll come when I'm free, not what it says in the contract.'

That's one of the key areas of putting contracts in place.

The second area might be where you're not asking the trade contractor to do labour and materials. You're not saying, 'I want you

to do the timber frame. You're supplying the timber and you're supplying the labour to put it up.' The complete package.

You could have a situation where you say, 'No, I'll sort the timber out, thank you, because I'm passionate about having that timber specifically because of the look or the appearance or the durability of the project. So I will source the timber. I just need you to put it up.' That's called a labour only contract. Another type of contract. It looks different, it clearly doesn't have as many terms and conditions in it, but it's still appropriate to say, 'let's contract on the basis that you will provide labour, sufficient labour, at the right time to put up my timber that I've supplied you.'

Now, there's a downside to that because you could actually be saying that labour is not a carpentry firm but my friends. There's an issue there about is it appropriate to have a contract with them. If I've got my dad and my uncle and his friends from the pub, all of whom are carpenters but they're not a firm who are contracted to do the work. It's a bit flaky then, isn't it, in terms of the relationships between the two? And you're probably not going to put a contract in place for your dad.

The other issue, the other downside contractually, is the carpentry firm – were you to employ one under a contract – he says, 'I'm sorry. The timber you've provided for me to put up, I don't think it's good enough.' And all the issues that will then flow from that. Can you see a situation where he says, 'I'm not putting my name to it. I'm very good at carpentry ...'

Ben: 'But you are doing this for the first time and you've got the wrong timber.'

Steven: Absolutely. And you've got timber which is not appropriate for the way you are planning to use it.

Now, what we haven't explored yet is any contracts you may have in place with any consultants. We've not gone there yet in this conversation, but you could well have had an architect who has been involved in the process, or not as the case may be. If that were the case and the architect said to you, 'this is the timber I recommend you use,' rather than your choice as the layman, the architect said this is the right timber to use, you've then got a case to go back to the architect and say, 'the carpenter has said the timber's not up to it. What do you say about that, Mister Architect?'

Of course, you're doing the running around though, notice. You're doing the running around and have got the headache and you're

bound to have a difference of opinion. The architect will say, 'Well I think it's alright,' and the carpenter says not. And you're in the middle as client.

Ben: And the clock is ticking.

Steven: And the clock is always ticking.

So, we've explored labour only contracts. Conceivably there will be a whole load of supply only contracts. We've already explored one of them, the box of screws bought at the DIY shop. But ramp that up into, 'I need my foundations laid,' and that involves a ready-mix concrete lorry probably turning up on site, backing up to the trenches and dumping the concrete in the trench to provide the foundations, that's what we call a supply only contract.

Chances are the ready-mix company won't take kindly to you waving a contract in his face. That's all about, 'no, I'm sorry. We supply stuff to you on our terms and conditions.' There's a bit of an issue there Ben because as the layman builder, the layman developer and client, you're effectively accepting what they have told you. 'If you want our concrete, that's the basis under which we provide it.' There's not a lot of negotiation there, but you need to be aware that it is a contract still and you've got certain obligations.

Concrete's a bad example because it goes in the hole, but if somebody supplies something – we've talked about the timber – they will say, 'if you're not happy with it, you've got to tell us within whatever.' And that will be defined. Woe betide you miss that in the small print and you say, 'I've now discovered the timber is not right' and the timber firm say, 'it's too late to raise it with us. Sorry we thought it was alright. You didn't say anything. We'll replace it Ben, but it will cost you, rather than it being at our cost.'

Ben: How is that different from the screws, other than the stakes are higher?

Steven: It's no different at all. The stakes are higher.

If we stay with concrete laying, the ready-mix lorry, there isn't very much installation involved by the ready-mix lorry. They're tipping it into the hole. The key then comes back to those labour only chaps. Who have you got with shovels on site actually laying the concrete? It's coming out of the back of the lorry and – bad example with trenches because it just disappears into a trench, but if you're laying a ground floor slab, for example, a concrete slab, that needs to be done properly. The ready-mix lorry won't do that. That's just a driver. You have to have a team of guys – or you and your father

and your uncle – actually laying out the slab. But essentially, it's no different to a box of screws.

The problem we have in the UK is over what protection do you have as a purchaser? In reality, if we step out of the construction world, you have consumer rights. So, buying the box of screws is the same as buying a Mars Bar. You actually have rights under the Sale of Goods Act. What does it say? It says whatever you buy must be of merchantable quality and fit for the purpose intended.

In the construction world, there's not the same basis of sale because you're not buying a thing that you can hold in your hand – clearly not with concrete – because it's based upon a material specification. It's a bit more complicated than buying a box of screws. Yes, there's a material specification there but it's a living, breathing material, concrete or timber or indeed the roof tiles if we were to go on later in the project.

Ben: What else have we got under contract types? Have we covered them all?

Steven: We've got material purchase. We've explored that already. The consultant appointments we've also explored. And then we've got what I would call one-off payments. That's more likely to be to someone like the local authority.

Again, is there a contract there? Not really because they're a statutory body, and so they are not going to take kindly to a contract being put in place. There is a contract between you, but it's governed by statute rather than by a contract that you write, prepare or say, 'this is the basis upon which you approve our plans,' for a building code to allow you to build.

That probably covers all of the different types of contract. And if you're not employing a builder, you're having to manage each of those individual contracts. And not just manage in terms of time and coordination of who turns up, when and where, but also the money. Keeping a track naturally on, 'well, that contract was let at fifty-thousand, but it's now heading for sixty. What do I do about that? Clearly, I need more money, or do I find the money saved from somewhere else?'

So, that whole management of time and money is at your door if you're the project manager.

Ben: Let's move on to contracts and what we need in them. Are they all the same or are there any bits of information that are always on there?

Steven: In terms of all the contracts we've described, I think there are three common aspects, three key headlines, and this is what they teach you at contract school.

They say a contract has to have, to be valid, appropriate and safe, it has to have three key attributes. It has to talk about price, programme and the scope, or the quality of the work. Those really are the essential attributes.

Lawyers are taught that actually you have to have what's called consideration. So, in terms of contract theory, you have to have offer, acceptance and consideration. Consideration in our terms is money. The price.

If we dive into that and we say we've got a contract, we really have to define what the price is, and we have to define what the programme is, and when I say scope, I actually mean quality. So, what are you building or what are you providing, and how do we decide at the end of the day what good looks like. Because you can stand on site with your builder or your supplier and you can say as client, 'that's not good enough.' And he will say, 'well, where does it say it isn't?'

So, you can see how you need to arrive at the point that says, 'good looks like this,' by reference to standards – British standards or European standards or some benchmark that says, 'if you're providing timber, it needs to do the following in terms of its performance. Clearly, it needs to be new' – well, unless you're building a heritage property where you actually want second-hand timbers or second-hand tiles – 'needs to be new, it needs to be appropriate, fit for purpose and it needs to be good enough to stand up to the weather for the next hundred years.' And that can all be written down.

Overlaid above that, 'this is what I'd like done. This is the size of the contract, this is the size of the job. We're doing it in this window here. You're starting then, you're finishing then.' That's key.

Again, diving into legal theory, if you don't have dates, the lawyers use the phrase, 'time is of the essence.' So, a fundamental term of the contract is start and finish. If you don't have them, the contractor is obliged under contract theory to finish whenever he can. He takes an appropriate time. So, there's no deadline to finish by, he can just take as long – and if he's called away to another job, 'sorry, you didn't say I had to finish by a particular ...' Fundamental to the contract.

Ben: We all know, as well, that there will be little overruns. So, how does that work, when presumably you've got to setup these contracts quite early on and so dates will shift? Or is it, 'from when you start, you must finish by ...'?

Steven: Yes, because the quantum of the job says, 'that's what you're going to do. You're going to do that amount of work and we've agreed between us that you will take that long.'

Overruns happen, yes. Hey, stuff happens in life. But we need to drag ourselves back to the beginning of this chat, when I said the contract needs to say the what ifs. So, 'we've found dodgy ground' or 'the weather's rubbish this autumn' and the what ifs say, 'in the event that we get bad weather or bad ground, we'll do the following.' And so, the contractor says, 'it has delayed me' and you, if you're in charge, or your consultant if they're in charge says, 'yes, you're right. I need to allow you more time.' And the contract will provide for that. That's built in, in terms of the provisions around programme. The whole job's not off if that happens. Without those what if clauses, you could say as client, 'I'm sorry. You're going to be late. Forget it then.' No-one wants that. So, you provide for the opportunity to amend the contract to take account of delays.

And there's the similar machinery in the contract typically on price. Because as soon as you have an overrun, the contractor's likely to say to you, 'and it will cost more money because I'm here longer than I was expecting to be.' And the contract will provide provisions in the pricing section for this is how we value change. That's how we describe it, how do you value change. The contract needs to have provisions in it to cover that situation as well.

Ben: When you get to a dispute like this as well, you don't want to take it to court or anything like that. So, is it almost a bit of reassurance that, 'look, this is what it says in the contract,' and hopefully that can help you move things on?

Steven: Yes, absolutely.

It goes back to what I said somewhat earlier, which is all about the confidence that your contractor has in working in that environment. If they're out of their depth with a construction contract, you're going to have a nervous contractor who doesn't really know what he's doing, if he's at the level within the industry where he's not used to working with contracts.

Ben: Is that quite a good question then to ask of a contractor, 'do you always work with a contract? Which ones do you do'?

Steven: I think I would be happier if as a client, you worded the question slightly differently, and that is, 'I intend to use a contract. You're still on board, aren't you?'

I think I would word it much more positively because your question, the way you worded it was, you're giving him the opportunity ...

Ben: I want to see what he does normally.

Steven: But you're giving him a let out, to say, 'no, no, no. I'm not comfortable working with contracts,' even if he is.

Tactically, he would perceive it to be to his advantage if he's able to leave things as woolly, uncertain and undefined as possible. Because he's more comfortable just saying, 'well actually, tomorrow I do need to go and see Mrs Jones. So, I won't be in tomorrow,' and you as the client say, 'I'm sorry, you can't just come and go as you please. You do know you're going to finish on Friday?' That kind of scenario which is quite important.

We need just to explore a bit more, I'm very conscious that in the contract provisions, we need to be clear on the pricing aspect because this is usually, in my experience, where people fall out and where there is a difference of opinion.

When we look at price, we actually need to unpack three specific phrases that are used, in my experience, quite interchangeably by builders. One is fixed price, that is, that's the price. It's fifty-thousand pounds to do that job.

The second one is when the builder says to you, 'that's my estimate.' Many builders will call it an estimate, but actually they consider it a fixed price. It's sloppy use of language. Builders give estimates. If you're the client, look out for that when you get something from a builder. Look out for it in terms of defining, 'what do you mean by estimate? Sorry I want a fixed price.' Estimate, as the usage of the word is in the English language, is, 'I think it might cost that, and that's what I'm telling you, as my offer to you.' Challenge that as the client and say, 'no, you mean fixed price, don't you? Because that's what I asked you for. Why have you quoted back at me the word, estimate?' And the builder may say, 'that's what I always do.' Sloppy. You can see the dynamic there.

The third category is budget. If the builder says to you, 'do you actually know what you want here? Do you actually know what you're doing,' in terms of client? And, 'because you're so uncertain about what you think you want to do, I am only able at this stage to give you a budget price.' That's quite common as well.

Now, you could contract on that basis, but clearly Ben there's a whole degree more uncertainty as you go forward. Because from the builder's perspective, he's got the opportunity to change that price every time you blink, every time you blow your nose. 'I'm sorry, it's not in my budget.'

So, there's an element of needing to be smart and cautious about the use of terminology from builders, irrespective of what you ask for.

Clearly, some of the contracts we have explored are purchase contracts, and just like the Mars Bar in the shop, there's no negotiation. The price is whatever it is on the label. We don't do haggling typically in the UK, in the bazaar, as we would when we go on our Mediterranean holidays. But the same applies with construction materials. If I'm supplying you, that's the price. So, there's a degree of certainty there.

We're not talking about those kinds of contracts, but about the ones where there's a quantum of work. 'This is the job you're doing. You're doing that, that, that and this, and the price is this. That's where there's clearly a lot of opportunity for it to change, to be amended and we need to be smart on that.'

So, we've looked at price and programme. The third aspect is the scope of the job, or the quality, and we've talked about what does good look like. And so, it's therefore very important in the contract to set out a reference standard.

In the UK, we have what's called the National Building Specification that says, across every trade we have, this is a model set of clauses that says if you're doing carpentry, you follow this standard. That would be good to research and explore and to build in to the contract, so that you've got that reference point in your contract. If you don't, the builder provides what he thinks is good enough. Now, he will obviously take the path of least resistance and provide whatever is cheapest for him, which may not be appropriate for you.

Those are the three key things. I've got a very long list of other things that come to mind Ben that are in contracts, and some of them are a hundred pages long. So, there's clearly lots of other subjects which are covered, which I would call secondary matters. They could be everything from what we've touched on already, which is how is price changed, how do you value change, and there are rules about that; how are payments made. The whole question of the rules around, 'do I pay you monthly, do I pay you in stages,

when you've finished that bit of work, once at the end?' Answer, no.

Ben: 'Do I pay you once at the beginning?' Answer – definitely no.

Steven: I hadn't even considered that possibility. But were the builder to come to you and say, 'I want money up front,' be very, very nervous. Because what's to stop him running away with it? Forgive me, I hadn't even contemplated that as a possibility. Of course, it could be.

How is delay dealt with is another secondary issue, and the spin off clauses that relate to it. What happens if he's late? Whose fault is it? What happens if that lateness is partly caused by you as client, and partly caused by him? How do you untangle all of that? Usually the lawyers do, which is not good news for your budget. But that's what happens in terms of large projects.

Who decides when the work is finished? What does finished look like? There are clauses around completion. How is quality decided?

And I've got ten other things, bear with me. The changes you make, what if you want to get out of the contract? It's called termination. What if your circumstances are fundamentally changed and you just want to say, 'forget it.' Or the money's dried up. You need a way of terminating the contract. Or if it's not that crisis-ridden, 'how about if we suspend? Just go away please for three months while I sort myself out, or whilst the baby is born, or whilst I go and find some more money. Can we just stop the job?' So, there are those provisions which are in a contract.

Insolvency we've mentioned. How do we resolve disputes? If we do have a difference of opinion, we don't want to go straight to court. There are other provisions that you can write into contracts that say, 'let's just talk about it. Let's just mediate between us. Let's adjudicate rather than going to court.' And those provisions are typically in contracts. What about insurance? What about insuring the project? Very important if something goes wrong.

What about warranties? It's a huge subject. You've probably covered it already within the work that you've done, but 'can I have a warranty please, to say the work you've done is good, isn't it? It is good?' And the contractor will say, 'yes, yes. Trust me.' 'Well, can I have some form of material proof that you stand by your work?' It might be called a guarantee or a warranty.

What about retention? Again, retention is a subject you've probably covered. Holding back a small sum of money in the event that there are defects that arise that need to be fixed.

What about damages if you're late? Damages are usually described as penalties. You've got to be careful in English law about using the phrase penalties. 'You're late, Mister Builder. I'm going to penalise you.' That would be thrown out in court. You're not allowed to do that under English construction law.

And there's all the legal stuff about how you actually sign the contract. It matters because it's all about the life of the contract going forward. How long have you got to take action? Either side of you, but it's usually you taking action against the builder. It depends on how you actually signed the contract. It differs as to how long you've got to take action. That's into the legal stuff.

I think for me, that captures the essential attributes.

Ben: We never intend to cover everything a hundred percent. We always say that we're just trying to give people a flavour, but that sounds pretty thorough to me.

I suppose the main thing after hearing all of this is then who do we turn to for these contracts? We're obviously quite new to this and I imagine that there are templates that we can use or specific companies. How do you respond to that?

Steven: Again, I have to say that a lot of it depends on the way in which you've gone forward with the project.

If we stay at the top end of the spectrum, you're the client and you get a builder to do the whole job for you in one go, he's doing everything, there are templates or published contracts available.

JCT is one organisation. It stands for Joint Contracts Tribunal Limited. They publish a whole family of contracts which suit different types of jobs. The one that comes to mind, assuming your job and your project for your home is not a veritable mansion in terms of its scale, is one that's called the Minor Works Contract, which is a typical one that sets out already pre-printed, all the work is done for you and all you need to do is fill in the gaps like your name, the price and so on. So, they publish a contract which you buy and with your builder you agree to enter into that contract.

That's one. There are others. The professional bodies such as RIBA, the architects; the RICS of which I'm a member of staff, we publish contracts for the consultant appointments, were we to be

involved in appointing a consultant surveyor or architect. They're available as well.

In addition to that, mindful as I am about the breadth of types of contract that could exist within the self-help, self-build environment, you will find on the web a whole series of organisations that offer what I might call oven ready trade contracts, supply only contracts, labour only contracts which are legally tested and are good to go and suit much more the self-build environment.

So, they are out there, and my recommendation is to Google self-build construction contracts. You'll find a wealth of them that are available to use.

The other thing I should mention, if I dive back to the JCT organisation first, they do actually publish a homeowner contract. But that's much more appropriate if you are doing work within your own house. It is not appropriate if you are contemplating a new-build, self-build project.

Ben: That would be more renovation?

Steven: It would be much more renovation, refurbishment or extension of your existing property, rather than embarking upon a completely new project.

I think that's it in terms of covering the places you can go for contracts.

Ben: Is there anything else we need to know in this, as just an overview and without going into massive detail? For example, what happens if we can't resolve things? What might the next stages look like?

Steven: If you can't resolve disputes with your contractor, the contracts that we've described will have a provision in them for dispute resolution.

So, it's back to the what ifs. 'What if we fall out over something?' Now, ideally you talk about it. You thrash it out between you and you arrive at a solution.

If you're that far apart, in the construction industry in the UK, you then have an obligation under statute to go to what's called adjudication. It's designed to be a quick fix solution legally to solve the problem and have an independent person, an adjudicator, decide the case on its merits.

Obviously, you've got to pay for it, but it's intended to be a quick fix. It takes a month, typically, depending on the scale of the dispute.

But in the self-build environment, the issue at large shouldn't be that large and complex and costly as to warrant anything more than a simple adjudication.

If that fails, it's simply, 'see you in court,' which of course, nobody wants. Because the only people that win then are the lawyers. But that's ultimately where a dispute would and could end up if it fails at the quick fix legal solution which is adjudication, which intends to sort out relatively minor disputes quickly and cheaply.

Ben: Steven, thank you very much for all of your information today. A lot to take on board.

Steven: Lovely, it's a pleasure to be of whatever assistance I can Ben. Thank you.