

JCT and SBCC 2016 Edition - New Features

JCT Chair, Richard Saxon CBE, has provided an update on the forthcoming JCT 2016 Edition of contracts, summarising the main new features, in a presentation to delegates at the Olswang Annual Construction Conference on Thursday 4th February. A summary of the specific clause changes relevant to Scotland is set out below. The full text of the article can be downloaded here at : [JCT 2016 Edition - New Features Announced](#)

SBCC previewed the likely changes to their contracts at their Annual Conference in November 2015 and are preparing for the launch of the SBCC editions. The Scottish editions will take account of:

- Scottish legal differences in legislation and terminology .There are significant legislative changes to consumer contracts, in health and safety and to procurement
- The default position changing in SBCC contracts from court to arbitration
- The CDM Regulations 2015
- The Procurement Reform (Scotland) Act 2014 and the Public Contracts (Scotland) Regulations 2015
- Arbitration under The Arbitration (Scotland) Act 2010
- Signing made simpler with new style signing provisions

Specific clause changes will include:

- A number of changes in respect of payment, designed to reflect Fair Payment principles and to simplify and consolidate the payment provisions:
 - Establishing, for Fair Payment purposes, Interim Valuation Dates which will operate at main contract, sub-contract and sub-subcontract levels.
 - Under the interim payment due date provisions, the monthly cycle of due dates applicable to payments up to practical completion now continues to apply after practical completion, up to the due date of Final Payment. This change is consistent with a with a new Loss and Expense ascertainment procedure and with Fair Payment principles.
 - Revising and simplifying the payment provisions more generally, including introducing a procedure for prompt assessment of Loss and Expense claims, providing further flexibility in relation to Fluctuations Provisions, and consolidating the provisions containing the notice requirements of the Housing Grants, Construction and Regeneration Act 1996.
- Provisions for the grant of Performance Bonds and Parent Company guarantees and we have extended the optional provisions for the obtaining of Collateral Warranties from sub-contractors to include, as an alternative, the granting of Third Party Rights by sub-contractors.
- An extension of (Works) Insurance Option C to allow alternative solutions to the problems encountered by tenants and domestic homeowners in obtaining Existing Structures cover for Contractors, and consolidation within the main text of the generic provisions that apply to Insurance Options A, B and C (evidence of insurance, insurance claims and reinstatement work).
- Further changes to improve functionality and user-friendliness across the suite, including minor updates and clarification of the intellectual property provisions, and incorporating (where appropriate) the provisions of the SBCC 2012 Named Specialist Update.