



A guide to Insuring a Renovation Project



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01621 784840



Renovation Plan Insurance



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Introduction

There are a number of things to think about when insuring a property during a renovation project. Many people are unaware of the potential implications to their property cover whilst works are being carried out.

If you are considering any type of renovation, alteration, demolition, new build or extension it is important to understand the effect this may have on your current cover.

In this document, we'll highlight the key things to consider before commencing your project.





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The Existing Structure

Many insurance policies are unable to accommodate cover during building works or will reduce cover whilst these works are ongoing- especially if the property is unoccupied.

Before commencing with any building works, property owners should start by consulting their current Insurance provider. Insurers will usually want to know the following in relation to the works:

- The estimated cost
- A description
- Duration of contract
- Occupancy of the property
- Type of contract in place

Most insurance providers can cater for a small amount of works if they are of a decorative nature, however, when the works reach a certain cost or the type of works are of a more complex nature e.g. structural, cover can be restricted or withdrawn completely.

If your existing policy is restricted during the works, one of the things you may see is an exclusion applying when damage is caused by the works. In this instance you will be relying on the Contractors Public Liability policy to cover any potential loss. Below is an example of when this could cause a problem:

“The contractor is carrying out electrical and heating installation at the property. Overnight, a fire starts causing major damage. The cause is undetermined and a stalemate commences between the Contractor’s Insurer and your property Insurer. The Contractor must be proved negligent to be liable for the damage and the property Insurer will enforce the exclusion stating damage was caused by the works.”

A scenario like this can drag on for several months, whereas a specialist renovation policy will respond in the event of a loss, regardless of who is at fault.





Contract Works

Contract works is the Insurance term to describe the structures, materials and fittings being added to a property. The cover is typically arranged on an 'all-risks' basis meaning that it covers all insurance perils, bar any specific exclusions in the policy. It can be purchased as part of a Contractors 'All-Risks' policy and may often be referred to as this or its acronym, 'CAR'. Without this cover, renovators are potentially leaving the value of the works at risk.

A common misconception with this cover is the assumption that building professionals will take out Contract Works insurance. Previous Insurance surveys indicate only around 50% of builders provide Contract Works insurance.

When materials are purchased independently of the contractor, these may not always be insured on the contractors insurance as they have no insurable interest in these items.

It is important to discuss who will cover the Works when arranging the contract with the builder. Some building contracts will place the onus on the property owner to arrange cover for the works. We would strongly recommend buying a specialist Renovation policy

Relying on the builder to arrange cover without reviewing their Insurance is putting your property at risk and could leave you exposed to a loss of your investment in the new works.



Personal Contents

Personal contents requirements vary significantly from one project to another. Therefore, there are several different eventualities to insuring your contents.

1. Living on site

If the homeowner is living on site during the renovations, normal contents insurers will consider providing cover and can often be more accepting than the buildings insurer, as alterations to the property will not affect the contents as significantly. However, there may be an increased risk of accidental damage to carpets and furniture so you can expect to see the 'damage caused by the works' exclusion added, as with the buildings cover.

Valuables at the home may be excluded or required to be removed from site during the works. Paintings, Jewellery and valuable items should all be removed where possible and would need to be specifically notified to the Insurer if any of these contents remain, they may impose a theft limitation clause.

2. Moving out/Unoccupied

Moving out during the works means most contents insurers will cancel or restrict their cover, as the property is no longer considered to be a home. In this situation, cover can be provided by specialist Renovation Insurers. However, most will only cover general furniture without any valuables remaining on site. Often Homeowners will consider placing their contents into storage during the works. Storage companies can provide insurance for the contents as part of their cost so this can give the homeowner peace of mind. Alternatively we can offer a specialist contents policy to cover your goods whilst in storage.

3. Moving into rental accommodation

If some of the contents are going with the homeowner to rental accommodation, the simplest solution is to take out a separate policy for the contents in the rental accommodation. It's sensible to ensure the policy has acceptable cancellation terms as the project timeframe may alter and it's unlikely the project length will run in conjunction with policy.





Plant & Tools

Tools and Plant are typically split into 3 sections.

- Portable Hand/Power Tools
- Owned Plant (anything larger than a hand tool)
- Hired-In Plant

The most important thing to bear in mind is that any equipment Hired or owned by the Contractor, should be insured under the Contractors Insurance as this is their responsibility and, in the event of a loss, this would only affect the contractor.

1. Hand Tools and Owned Plant

Tools and Plant owned by the Property Owner can be purchased on specialist Renovation policies. To obtain quotes Insurers will need to know:

- The total value of your equipment
- The highest single item value

Most policies will require that the tools are stored in a locked place or the plant immobilised.

2. Hired-in Plant

For Hired-in Plant, hiring companies will often provide an insurance option. However, renovation policies can often provide a quotation for the same cover at a lower cost. It is worth consulting both options before making a decision on how to insure this plant.

Some policies will include the continuing hiring charges following damage or loss to the plant. This can include the costs of the hiring charges whilst the plant was unable to be used or the loss occurred by the hiring company if they are unable to re-hire the equipment to the next purchaser.



Public Liability

In the UK, building sites have a higher number of accidents and injuries than any other working environment. Therefore, it's vital for Employers and their Contractors to ensure they protect themselves against claims arising from third party damage or injuries caused as a result of a negligent act.

In the event of a potential claim, it's important to contact the Insurer before discussing anything with the third party. Dealing with the third party and confirming their own negligence may jeopardise the Insurers position and could cause problems with the cover.

The Contractors

Most specialist renovation policies will require any Contractors attending the site have their own Public Liability cover. Any reputable building company will have a policy in force to cover all the sites they work on and we recommend you obtain sight of this cover.

Without Public Liability cover, the Contractor or sub-contractors could be personally liable for any damages or injuries caused whilst carrying out their work. If they damaged the property they were working on, or caused a serious injury, they could face the costs of hundreds of thousands of pounds, which could put them out of business and cause even further problems for the Property owner.

Limit of Indemnity

Public Liability cover always carries a Limit of Indemnity. Cover usually starts at £1M but could also be £2M or £5M. Higher limits can be obtained on referral.

The limit should be reviewed and chosen based on the value of the property, the number of people working on site and the location of the project.



Employer's Liability

Although many renovators prefer to employ a main contractor to undertake and manage the project, some renovators will look to manage sub-contractors and employ their own labour. When 'self-managed' builds are taking place with Labour-Only Sub Contractors on site, Employers Liability must be taken out. Employers Liability is to protect the company or person in control of the site against injuries sustained by people under their direct instruction.

Below is an example of a possible claim:

"A self-builder takes on a project developing his own house. He has experience in the building trade and opts to do some of the work himself. He decides to bring in his friend's son to help him on site and pays him on a daily rate for his work. He asks the boy to carry some bricks up the scaffolding but the boy slips and has an injury."

In this scenario, the self-builder is deemed to be the 'Employer' of the boy as he is there under his direct instruction. A common misunderstanding of Employers Liability surrounds Bona-Fide Sub Contractors (BFSC) on site. BFSC are contractors who are completely independent of the Employer and are brought in to carry out specific works. They will typically trade under their own company name, carry their own insurance and have their own equipment. The Employer of BFSCs won't require any additional insurance over and above the Public Liability as BFSC would be treated no differently than members of the Public in the event of a claim for an injury.

Examples of typical types of Sub-Contractors:

Bona-fide Sub-Contractors (BFSC) – Groundworkers, Electricians, Plumbers, Roofers
Labour-Only Sub-Contractors (LOSC) – General labour, volunteers

The Health & Safety Executive (HSE) provides a full guide for employer's liability on their website.
<http://www.hse.gov.uk/pubns/hse40.pdf>.

There is also the Construction, Design & Management (CDM) Regulations 2015 which self-managed renovators should be aware of. is published and states the requirement for maintaining and managing safety of your site. <http://www.hse.gov.uk/construction/cdm/2015/index.htm>



JCT 6.5.1 Non-Negligent Liability/JCT Insurance

JCT 6.5.1 Non-Negligent Liability, also referred to as JCT 21.2.1 insurance or Party Wall Insurance is a form of cover which has come into effect predominantly following the Party Wall Act 1996. In summary, the Act provides a framework for preventing and resolving a dispute in relation to party walls, boundary walls and excavations near neighbouring buildings.

The Act covers the following types of works:

- New building on or at the boundary of 2 properties
- Work to an existing party wall or structure
- Excavation near to and/or below the foundation level of neighbouring properties.

A key point in the Act states in simple terms that “the Building Owner who initiated the work pays for the damage if the works are solely for their benefit”. This potentially leaves the property owner liable for damage to neighbouring properties if the Contractor’s Public Liability would not cover the damage due to there being no negligent acts in the Contractor’s work.

So, what is this Insurance actually covering?

The cover is often treated as an extension to the property owner’s Public Liability cover. Where Public Liability requires a negligent act to have caused the damage, this cover extends to include damage caused where there are no negligent acts. Major groundworks are the most-likely works to cause this damage as removing/altering ground is more likely to destabilize the other surrounding structures.

The types of perils covered include: Subsidence, Heave, Collapse, Vibrations or weakening/removal of support, or the lowering of ground water consequent upon carrying out the contract works.

Why is it called JCT Insurance?

JCT stands for Joint Contractors Tribunal. It’s a type of contract often drawn up for specific one-off building projects and can be purchased directly from JCT. There are a number of different types and versions but typically, the Contract will ask if this cover is required under Section 6.5.1. On previous versions, the cover appeared under Section 21.2.1 and therefore the references to the name of the insurance formed.

Cover can be obtained by either the property owner or the main contractor for this cover.

It’s often stipulated within the Contract that cover must be insured in Joint Names between the property owner and the Contractor.

The government provide an Explanatory booklet for both renovators and their neighbours which is a great

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/523010/Party_Wall_etc__Act_1996_-_Explanatory_Booklet.pdf



Alternative Accommodation / Advanced Loss Of Rent

Alternative Accommodation

Alternative Accommodation is usually provided as an extension in cover to a standard buildings insurance. The cover comes into effect following damage to the property caused by an insured event. It will pay the costs of similar accommodation for the insured whilst the damage is rectified.

Alternative Accommodation can either be provided with a fixed sum limit or limited to a percentage of the sum insured. Both options may be acceptable but a low fixed sum may not be sufficient for larger projects. It is worth keeping in mind the cover may be restricted with an indemnity period limit. For example, if the indemnity period is fixed at 12 months, you will not be covered for any accommodation costs 12 months after the date of the loss regardless of the total costs.

Advanced Loss of Rent

When taking on a project for commercial gain, there are other elements involved in the project and profit margins are far more important. There may be lenders or investors involved and delays in the project can be devastating.

For these projects, Alternative Accommodation is irrelevant as the occupiers won't be sourced until completion. Therefore, you can take out Advanced Loss of Rent to cover the costs of the rent which you would expect to receive following a delay caused by an insured event. Cover can also be increased to insure loss of interest for the projects where there are loans taken out to complete the works.

For both types of cover, renovation Insurers will typically require an up-to-date Gantt Chart and schedule of works in the event of a claim. This will allow them to ensure that they are not paying for general delays in the works, not caused by an insured event. These general delays would be specifically excluded from cover.

Structural Warranties

A 10-year structural warranty Insurance is a policy that covers a house against defects in the design process, materials used or the actual workmanship itself causing damage along with defective underground drainage and defective weatherproofing. It runs for 10 years from the point you receive your Completion Certificate and enables a buyer to obtain a mortgage on the property in the event you sell it on within the 10-year period.

You may sometimes hear Structural Warranties referred to as Structural Defects or Latent Defects cover. These names are more common with commercial developments but are generally for the same purpose.

The warranty provider checks the design of the build and the construction using a series of Technical Audits to make sure they are happy with the work and minimizing the potential of defective workmanship, or materials. Defects identified along the way have to be remedied prior to issuing cover. Because of this, it is best to arrange the Warranty prior to the start of works so they can approve the works as you go. Cover can be sometimes be purchased post-completion of works but the premiums will reflect the increased risk.

The UK's first and leading warranty provider is the NHBC. They were established in 1936 with the aim of setting out standards for homebuilders with the hope of improving the construction quality of homes in the UK. Moving into the modern era, there are now a variety of different insurance products available from a many Insurers all providing similar products to the NHBC – sometimes at a fraction of the cost. Structural Warranties are generally required on complete rebuilds or new builds of properties but can also be obtained when major structural alterations take place during a renovation project. They can be particularly important for self-builders. An example scenario of why the risk differs for self-builders is below:

“The self-built home is damaged in a storm. The home insurance would usually pay for the claim, but if it is found that the damage is deemed to be caused by the roof collapsing as a result of the builder not correctly installing a brace when built. The cause would be deemed as defective workmanship and would be excluded by the home insurer. They would simply suggest you claim against the builder, which is potentially the self-builder and owner of the property”.

Whether you are self-building, rebuilding or structurally altering your property, it is worth considering a structural warranty insurance. This may be a requirement to your lender.





JCT Contracts

JCT Contracts are designed to clarify all aspects of the project and avoid having disputes over who was at fault in the event of a problem. The details range from what security will be used, when the work will be carried out and most importantly for brokers, what type of Insurance cover is required.

Option A, B & C

Under a JCT Minor, Standard and Intermediate Works contracts, there are typically 3 different options under the Insurance section.

Option A – This option requires the Contractor to take out a policy in joint names with the owner for the Contract Works only.

Option B – This option requires the Owner to insure both the existing structure and the works in joint names with the contractor.

Option C – This option requires the Contractor to insure the works in their own name and the Owner to notify their Insurer of the works.

It is vital the Insurers are aware of which type of contract has been chosen. Some Insurers are unable to offer cover for 'Option B' as insuring the policy in joint names can waive some of the subrogation rights against the Contractor for accidental damage to the structure or the new works.

To ensure a renovator is in the best possible position throughout their project, a JCT contract can be the best possible solution to help give them peace-of-mind.



Covers at a Glance

Type of Cover	Standard Specified Perils	Premier Specified Perils	Premier Plus All Risks
Building(s) Existing buildings and all new works, materials and fixtures & fittings			
■ Fire	✓	✓	✓
■ Lightning	✓	✓	✓
■ Explosion	✓	✓	✓
■ Earthquake	✓	✓	✓
■ Aircraft	✓	✓	✓
■ Storm	✗	✓	✓
■ Flood	✗	✓	✓
■ Escape of Water	✗	✓	✓
■ Impact	✗	✓	✓
■ Malicious Intent	✗	✓	✓
■ Riot & Civil Commotion	✗	✓	✓
■ Theft & Attempted Theft	✗	✓	✓
■ Accidental Damage	✗	✗	✓
■ Subsidence	✗	✗	✓
Contents	✗	Optional Perils as above	Optional
Own Construction Machinery Sum Insured £5,000 Single article limit £2,500	✗	Optional when Contents chosen Perils as above	Optional
Portable Hand & Power Tools Sum Insured £2,500 Single article limit £250	✗	Optional when Contents chosen Perils as above	Optional
Hired in Plant Sum Insured £20,000	✗	Optional "All Risks" Cover	Optional "All Risks" Cover
Caravans Site/Huts	✗	Optional	Optional
Public Liability Sum Insured £2,000,000	✓	✓	✓
Employers Liability Sum Insured £10,000,000	✗	Optional Private individuals only T&Cs apply	Optional
Non-Negligent Liability	✗	✗	Optional
Advanced Loss of rent/Loss of Interest	✗	✗	Optional
Terrorism	✗	✗	Optional

Please note this is intended as summary of the cover available.

For full details refer to the Policy Wording or alternatively please contact us.

✓ = Included

✗ = Not Included



Frequently Asked Questions

Why should I use Renovation Plan over other insurance?

A. Normal property insurance generally requires you to reside permanently at the property and also likely to exclude major works being carried out. Renovation Plan is designed to overcome this and in addition will provide cover for the materials on site and works being added.

Q. What type of project can you cover?

A. We can provide quotes for a wide range of projects including major and minor renovations, conversions, basement excavations, new build projects plus properties being extended. We can also look to arrange cover on both residential and commercial properties.

Q. What are the parts of the project which are covered?

A. The existing structure, the new works being added, the materials on site and if required Contents, Machinery and Tools.

Q. Isn't my builder insuring the project?

A. Most reputable builders will have their own Public and Employers Liability cover to protect themselves against claims where they have caused damage or injury through their negligence. Builders can also opt to cover new works and materials under their own policy whilst they are working on site. However, they may not always cover materials or fittings purchased independently by you.

They will not be insuring your existing property so it is important to make sure you have this cover in place.

Relying on a builder's policy is not sufficient. You should always ensure you have the right level of insurance cover in place to help protect you from a potential loss.

Q. I plan to do a lot of the work myself but I am not a builder is this OK?

A. Yes this is fine. But you should also check that any contractor you do use has their own Public Liability of not less than £2,000,000.

Q. Is Liability cover included?

A. The policy automatically includes Public Liability of £2,000,000. If you are using contracting firms to carry out all or some of the work you should not need further Employers' Liability. If in any doubt please speak to us.

Q. Why do you offer 3 Levels of Cover?

A. By providing you with options we can offer considerably reduced premiums for those clients who feel extra covers are unnecessary and so provide a tailored policy. All-risks cover can be stipulated as required under some contracts such as JCTs. When this is the case, our most comprehensive cover is required.

Q. Why would you offer the Renovation Plan Premier Plus product instead of the standard product?

A. Renovation Plan Plus can cover larger projects where higher Buildings and Works limits are needed. It is also appropriate where you have entered into a JCT contract which requires a joint name policy with the contractor or you require 'All Risks' cover. Renovation Plan Plus can also cover projects where there is a basement excavation or major demolition works.

Q. How can I work out the Professional Rebuild Cost?

A. If you have arranged a mortgage, this should be provided in the valuation. Otherwise it is a matter of getting professional advice.

Q. How long should I request for my policy length?

A. You should buy cover for the entire length of your contract. We can offer quotes for any length between 3 - 36 months. We recommend adding around 20% to your contract period to estimate the length of the project as an average project will overrun by this amount. If you finish the project before your expiry date, we'll offer a pro-rata return premium subject to a cancellation fee.

Q. Can I change the policy when the property is finished and becomes let out or my home?

A. Yes. We can cancel the renovation policy and look to offer a new Let Property or Home Insurance Policy, depending on your needs. A return premium will be given for any unused period of insurance.

JCT Contract Requirements

WORKS ONLY – JOINT NAMES

These clauses require the contractor to take out and maintain a policy in joint names with the property owner (employer) for the works only.

- JCT Minor Works 2005 5.4A (JCT MW05 5.4a)
- JCT Intermediate Building Contract 2005 1A (JCT IC05 Schedule 1 Option a)
- JCT Standard Building Contract 2005 3A (JCT SBC05 Schedule 3 Option a)
- JCT Minor Works 2011 5.4A (JCT MW11 5.4a)
- JCT Intermediate Building Contract 2011 1A (JCT IC11 Schedule 1 Option a)
- JCT Standard Building Contract 2011 3A (JCT SBC11 Schedule 3 Option a)

EXISTING STRUCTURE & WORKS IN JOINT NAMES

These clauses of the JCT contract require the property owner (employer) to insure both the existing structure and the works in joint names with the contractor.

- JCT Minor Works 2005 5.4B (JCT MW05 5.4b)
- JCT Intermediate Building Contract 2005 1B (JCT IC05 Schedule 1 Option b)
- JCT Standard Building Contract 2005 3B (JCT SBC05 Schedule 3 Option b)
- JCT Minor Works 2011 5.4B (JCT MW11 5.4b)
- JCT Intermediate Building Contract 2011 1B (JCT IC11 Schedule 1 Option b)
- JCT Standard Building Contract 2011 3B (JCT SBC11 Schedule 3 Option b)

EXISTING STRUCTURE IN OWN NAME

These clauses require the Property Owner to insure the existing structure in their own name.

- JCT Minor Works 2005 5.4C (JCT MW05 5.4c)
- JCT Intermediate Building Contract 2005 1C (JCT IC05 Schedule 1 Option c)
- JCT Standard Building Contract 2005 3C (JCT SBC05 Schedule 3 Option c)
- JCT Minor Works 2011 5.4C (JCT MW11 5.4c)
- JCT Standard Building Contract 2011 3C (JCT SBC11 Schedule 3 Option c)
- JCT Intermediate Building Contract 2011 1C (JCT IC11 Schedule 1 Option c)

EXISTING STRUCTURE & WORKS IN OWN NAME

These clauses of the JCT contract require the property owner (employer) to insure both the existing structure and the works in joint names with the contractor.

- JCT 6.2.4 Insurance
- JCT 6.5.1 Insurance
- JCT 19(2)(a) Insurance
- JCT 21.2.1 Insurance



Definitions

Architect	A person who designs buildings and in many cases also supervises their construction.
C.A.R.	Contractors All risks.
Cessation of Works	Where works have ceased and contractors have not been on site for a defined period of time, usually 30 or 60 days.
CFA Piling	Continuous flight augering (CFA) is a technique used in construction (http://en.wikipedia.org/wiki/Construction) to create concrete piles.
Contract Value	Price that the employer is paying for the works in its entirety. This can be subject to alteration before, during and at completion of the works, depending upon any delays, changes to the specifications/designs etc. For insurance purposes, the amount insured should include not only the value of the main contract, but also any subsidiary contracts and any direct purchases.
Dilapidation Report	A Dilapidation Report or Schedule of Condition Report details exactly the existing state or condition of a building prior to the works commencing. It details the condition and any damage which has already occurred as well as areas likely to give problems in the future with photograph illustration recording. These documents are useful in a claim situation and, if they have not been produced, then the onus of proof that damage was not-pre-existing will rest with the renovator.
Direct Purchases	Purchases made by the employer that do not form part of the main contract.
E.L.	Employer's liability.
Employer	The contracting first party/property owner.
Excavation	Digging below ground level.
Existing Structure	The existing land, permanent buildings, domestic outbuildings and garages at the risk address owned by the employer.
Foundation Types	The lowest load-bearing part of a building, typically below ground level. E.g. Concrete padstones.
J.C.T.	Joint Contract Tribunal. This organisation has produced an off the shelf contract which will manage the relationship between employer and contractor. There are 4 versions; Homeowner – the simplest version suitable for the smallest projects; Minor Works – for smaller less complex projects; Intermediate – for larger and more complex projects; Standard – this version can cope with very large and complex domestic and commercial renovations.
Joint Fire Code	Contractors equivalent to an 'application of heat' warranty.
Joint Names	Where two parties are named in the insurance contract, generally the employer and the main contractor. This will frequently be a requirement under the JCT suite of building contracts.
Landscaping	The process of making a garden or other piece of land more attractive.

Load Bearing Walls	Internal and External walls that help to support the building.
Main Contract Types	<ul style="list-style-type: none"> — Standard Building Contract (SBC) — Large/complex contracts typically over £1,000,000 — Intermediate Building Contract (IC) – complex works typically £50,000 to £1,000,000 — Minor Works Building Contract (MW) – Works typically up to £100,000 or non-complex up to £250,000 <p>There are many other types including Design & Build and Homeowner Contracts.</p>
Method Statements	A statement of the methods to be used for a specific element of the job that is produced by the contractor and agreed by the project manager/architect.
Non Neg/ 21.2.1/6.5.3	Non Negligent Party Wall Insurance. This insurance will indemnify the renovator for damage to third party property stemming from the works where negligence cannot be proven. Under the Party Wall Act there is a 'strict' liability to neighbours for certain heads of structural damage. This is why this type of policy is frequently required. In the absence of negligence, the contractor's liability insurers will refuse to deal, but the renovator still has an obligation to reinstate.
Party Wall	Boundary wall, excluding timber fences. Can include internal and external walls. A wall that is on one owner's land but is used by 2 (or more) owners to separate their buildings.
Party Wall Act	The Party Wall Act 1996 (http://www.legislation.gov.uk/ukpga/1996/40/contents) provides a framework for preventing and resolving disputes in relation to party walls, boundary walls and excavations near neighboring buildings.
Part Wall Agreement	An agreement including processes and obligations to protect both parties that share an adjoining wall.
Performance Bond	A performance bond is a surety bond issued by an insurance company or a bank to guarantee satisfactory completion of a project by a contractor.
P.I.	Professional Indemnity.
P.L.	Public Liability.
Plant	The apparatus or equipment used in the contractor's trade. This can be owned or hired. It is frequently the contractor who supplies and insures these items, but the property owner may, on occasion, be required to insure plant.
Practical Completion	Practical completion is when all the works described in the contract have been carried out. A point may be reached where the work is for all practical purposes sufficiently complete to be put into use but is not necessarily fully complete in all respects. This is acknowledged in many standard forms of contract. It is defined as coming into existence either when certified by the person so authorised or, in certain stated circumstances, as a consequence which flows from the taking over a part or parts of the works.



Practical Completion Certificate	Evidence of Practical Completion, at which time the risk of loss or damage to the works passes from the contractor to the employer.
Procurement	A generic term embracing all those activities undertaken by a client seeking to bring about the construction or refurbishment of a building.
Project Manager	Oversees the work on site, appoints contractors/suppliers in collaboration with employer. May be supplied by the contractor or the architect, or may be appointed directly by the property owner.
R.S.J.	Rolled Steel Joist
Schedule of Works	A detailed description of the planned works.
Snagging	Outstanding matters after the main construction has been completed.
Structural Engineer	Professional person employed for the design and planning of the structure and to ensure they are built to be strong enough and stable enough to resist all appropriate structural loads. (http://en.wikipedia.org/wiki/Structural_load).
Structural Warranty	An insurance policy which provides cover in the event of a defect occurring on the property caused by the design, workmanship, materials or components. The cover is either a 10 or 12 year policy as defined under the building contract, divided into three main parts: <ul style="list-style-type: none"> — Building period — Defects insurance period — Structural insurance period.
Subrogation	Insurers right to pursue recovery from a third party once they have paid their insured.
Tender	Obtaining quotes from various contractors/suppliers.
The Works	Fixed and unfixed materials, fittings and works in progress, labour and associated fees in connection with the building, alteration, refurbishment and/or renovation project.
Types of Contractor	<p>Bona Fide - Bona fide sub-contractors generally work under their own direction and provide their own materials and tools. They should also take out their own Public Liability Insurance. Provided they are not working under the employers' direction, they have their own legal liabilities which they insure themselves, there is no need to include these in the count of employees.</p> <p>Labour Only - Labour only sub-contractors generally work under the direction of the employer and they do not provide their own materials or tools other than small hand tools. They are usually paid a day rate and would tend to be casual labourers, sole traders, volunteers or friends & family. They would be considered as employees for the purposes of an Employers Liability Insurance policy.</p>
Underpinning	Underpinning is a method used to increase foundation depth or for repairing faulty foundations.
Use of Heat	Processes involved in the course of construction including roofing, plumbing, welding.



info@renovationplan.co.uk
www.renovationplan.co.uk

Renovation Plan is a trading name of Aston Lark Limited Registered in England and Wales No : 02831010
Registered office : Ibex House, 42-47 Minories, London, EC3N 1DY

