

---

Professional Certificate in Construction Legal Compliance (United Kingdom)

## Construction Law Overview

---

### Adjudication:

In construction law, adjudication is a process used to resolve disputes between parties involved in a construction project. It is a quick and cost-effective method of dispute resolution, which is mandatory in the UK construction industry under the Housing Grants, Construction and Regeneration Act 1996. An adjudicator is appointed to make a decision on the dispute, which is usually binding and enforceable in court.

Related terms: Dispute Resolution, Housing Grants, Construction and Regeneration Act 1996, Adjudicator

### Challenge:

A challenge is a formal objection raised against an adjudicator's decision. A party may challenge an adjudicator's decision on the grounds of bias, lack of jurisdiction, or procedural irregularities. A challenge must be made promptly and in writing, setting out the grounds for the challenge.

Related terms: Adjudication, Bias, Lack of Jurisdiction, Procedural Irregularities

### Collateral Warranty:

A collateral warranty is a contract between a party involved in a construction project and a third party, who is not directly involved in the project. The purpose of a collateral warranty is to provide the third party with contractual protection and rights in relation to the project. Collateral warranties are commonly used in the construction industry to ensure that all parties involved in the project have appropriate contractual protections.

Related terms: Construction Project, Contractual Protection, Third Party

### Construction Contract:

A construction contract is a legally binding agreement between a contractor and a client, setting out the terms and conditions of a construction project. A construction contract may include provisions relating to payment, timeframes, variations, and disputes. Construction contracts are governed by common law and statute, including the Housing Grants, Construction and Regeneration Act 1996.

Related terms: Contractor, Client, Payment, Timeframes, Variations, Disputes, Housing Grants, Construction and Regeneration Act 1996

### Contractor:

A contractor is a person or company engaged to carry out construction works under a construction contract. The contractor is responsible for completing the works in accordance with the terms of the contract, including any specifications, drawings, and regulations.

Related terms: Construction Contract, Specifications, Drawings, Regulations

#### Defects Liability Period:

The defects liability period is a period of time, specified in a construction contract, during which a contractor is responsible for rectifying any defects in the works. The defects liability period usually starts from the date of practical completion and may last for several months or years.

Related terms: Construction Contract, Practical Completion, Defects

#### Dispute Resolution:

Dispute resolution is a process used to resolve disputes between parties involved in a construction project. Dispute resolution may involve negotiation, mediation, adjudication, or litigation. The aim of dispute resolution is to find a fair and equitable solution to the dispute, without the need for lengthy and costly legal proceedings.

Related terms: Negotiation, Mediation, Adjudication, Litigation

#### JCT Contract:

The JCT contract is a standard form of construction contract, published by the Joint Contracts Tribunal. The JCT contract is widely used in the UK construction industry and is regularly updated to reflect changes in law and practice. The JCT contract includes provisions relating to payment, timeframes, variations, and disputes.

Related terms: Construction Contract, Payment, Timeframes, Variations, Disputes

#### Latent Defect:

A latent defect is a defect in a construction project that is not immediately apparent and may only become apparent after the works have been completed. Latent defects may be caused by a variety of factors, including poor workmanship, defective materials, or design errors.

Related terms: Construction Project, Workmanship, Materials, Design

#### Liquidated Damages:

Liquidated damages are a pre-agreed sum of money that a contractor may be required to pay if they fail to complete the works on time. Liquidated damages are usually set out in a construction contract and are designed to compensate the client for any losses they may suffer as a result of the delay.

Related terms: Construction Contract, Delay, Compensation

#### Mediation:

Mediation is a process of dispute resolution in which a neutral third party, the mediator, assists the parties in reaching a mutually acceptable solution to their dispute. Mediation is a voluntary process and is confidential. The mediator does not make a decision or impose a solution on the parties, but rather helps them to communicate and negotiate with each other.

Related terms: Dispute Resolution, Neutral Third Party, Voluntary, Confidential

#### Negligence:

Negligence is a legal concept that refers to a failure to exercise reasonable care and skill. In construction law, negligence may occur when a party fails to meet the standard of care required by law, resulting in damage or loss to another party.

Related terms: Legal Concept, Reasonable Care and Skill, Standard of Care, Damage, Loss

NHBC:

The NHBC (National House Building Council) is a UK-based organisation that provides warranties and insurance for new homes. The NHBC sets standards for the construction of new homes and provides guidance and support to builders and developers.

Related terms: Warranties, Insurance, New Homes, Standards, Builders, Developers

Payment:

Payment is a key aspect of a construction contract. The contract should set out the payment terms, including the amount of each payment, the timing of payments, and the method of payment. The Housing Grants, Construction and Regeneration Act 1996 sets out minimum payment provisions for construction contracts in the UK.

Related terms: Construction Contract, Payment Terms, Amount, Timing, Method, Housing Grants, Construction and Regeneration Act 1996

Practical Completion:

Practical completion is the stage at which a construction project is considered to be complete, except for minor defects or omissions. Practical completion is usually marked by a practical completion certificate, which is issued by the client or their representative.

Related terms: Construction Project, Minor Defects, Omissions, Practical Completion Certificate

Professional Negligence:

Professional negligence is a legal concept that refers to a failure by a professional to meet the standard of care required by their profession. In construction law, professional negligence may occur when a professional, such as an architect or engineer, fails to meet the standard of care required by their profession, resulting in damage or loss to another party.

Related terms: Legal Concept, Standard of Care, Profession, Professional, Damage, Loss

Regulations:

Regulations are rules and standards that govern the construction industry. Regulations may be set by government bodies, industry associations, or other organisations. Regulations may relate to health and safety, environmental protection, or building standards.

Related terms: Construction Industry, Government Bodies, Industry Associations, Health and Safety, Environmental Protection, Building Standards

Specifications:

Specifications are detailed descriptions of the materials, products, and workmanship required for a construction project. Specifications may be included in a construction contract and may be used to ensure that the works are carried out to a consistent standard.

Related terms: Construction Contract, Materials, Products, Workmanship

Variations:

Variations are changes to the scope of works agreed in a construction contract. Variations may be requested by the client or may arise as a result of unforeseen circumstances. Variations should be documented in writing and agreed by both parties.

Related terms: Construction Contract, Scope of Works, Unforeseen Circumstances, Documentation, Agreement

Latent Defects Insurance:

Latent Defects Insurance is a type of insurance that covers the cost of repairing or rebuilding a property in the event of a latent defect. Latent Defects Insurance is usually taken out by the developer or contractor and is designed to provide protection for the homeowner.

Related terms: Latent Defect, Construction Project, Developer, Contractor, Homeowner

Retention:

Retention is a sum of money withheld from a contractor until the completion of the works and the expiry of the defects liability period. The purpose of retention is to ensure that the contractor completes the works to a satisfactory standard and rectifies any defects.

Related terms: Construction Works, Completion, Defects Liability Period, Contractor

Adjudicator Nominating Body:

An Adjudicator Nominating Body (ANB) is an organisation that maintains a list of adjudicators and provides adjudication services. The ANB will appoint an adjudicator to a dispute if the parties to the dispute cannot agree on an adjudicator.

Related terms

Adjudication: A process used to resolve construction disputes in a quick and cost-effective manner. The adjudicator's decision is binding and can only be overturned through arbitration or litigation. (Related terms: Litigation, Arbitration)

Arbitration: A form of dispute resolution in which an impartial third party, the arbitrator, hears evidence and makes a binding decision. Arbitration is often faster and less formal than litigation. (Related terms: Litigation, Adjudication)

Building Act 1984: A UK law that sets out the regulatory framework for building construction and renovation. It establishes the Building Regulations and the role of Building Control Bodies.

**Building Regulations:** Technical requirements for construction and renovation in the UK. They cover areas such as structural stability, fire safety, and energy efficiency.

**Building Control Bodies:** Organizations responsible for enforcing the Building Regulations in the UK. They can be local authorities or private companies approved by the government.

**CDM (Construction (Design and Management) Regulations):** UK regulations aimed at improving health and safety in the construction industry. They require the appointment of a Principal Designer and a Principal Contractor for projects involving more than one contractor.

**Contract:** A legally binding agreement between two or more parties that outlines the terms and conditions of a business transaction. (Related terms: Construction Contract)

**Construction Contract:** A specific type of contract used in the construction industry. It outlines the terms and conditions of the construction project, including the scope of work, payment terms, and dispute resolution mechanisms.

**Construction Industry Scheme (CIS):** A UK tax scheme that requires contractors to withhold tax from subcontractors' payments. It is designed to ensure that tax is paid on income from construction work.

**Contract Administration:** The process of managing a construction contract to ensure that all parties fulfill their obligations. It involves tasks such as issuing instructions, certifying payments, and resolving disputes.

**Contractor:** A person or company that enters into a contract to provide goods or services. In the construction industry, a contractor is responsible for executing the construction work.

**Defects Liability Period:** A period after the completion of a construction project during which the contractor is responsible for rectifying any defects in the work.

**Delay and Disruption Claims:** Claims made by a contractor for additional time or money due to delays or disruptions caused by factors beyond their control.

**Employer's Agent:** A person appointed by the employer to manage the construction process. They act as the employer's representative and are responsible for tasks such as preparing tender documents, evaluating bids, and administering the construction contract.

**Health and Safety at Work etc. Act 1974:** A UK law that requires employers to ensure the health and safety of their employees and others who may be affected by their work.

**JCT (Joint Contracts Tribunal):** An organization that produces standard forms of construction contracts used in the UK.

**Latent Defects:** Defects in a construction project that are not immediately apparent and may only become apparent after the project is completed.

**Litigation:** A formal legal process in which a dispute is resolved through the courts. (Related terms:

Arbitration, Adjudication)

**NEC (New Engineering Contract):** A form of construction contract used in the UK. It is designed to promote collaborative working and is often used for complex or large-scale projects.

**Payment Terms:** The conditions under which payments are made in a construction contract. They may include the payment schedule, the amount of each payment, and the criteria for payment.

**Principal Contractor:** The contractor responsible for managing and coordinating the construction process under the CDM Regulations.

**Principal Designer:** The designer responsible for managing health and safety in the pre-construction phase under the CDM Regulations.

**Professional Negligence:** A claim made against a professional for breach of duty of care. In the construction industry, it may involve claims against architects, engineers, or surveyors.

**Scope of Work:** The work that is to be carried out under a construction contract. It is usually described in detail in the contract documents.

**Tort:** A civil wrong that results in legal liability. Examples include negligence, defamation, and nuisance.

**Variation:** A change to the scope of work in a construction contract. Variations may be initiated by the employer or the contractor and must be agreed upon by both parties.

**Warranty:** A guarantee that work will be carried out to a certain standard. Warranties may be provided by the contractor or by a third party such as a product manufacturer.

In conclusion, this glossary provides an overview of key terms and concepts in Construction Law in the context of the Professional Certificate in Construction Legal Compliance in the United Kingdom. Understanding these terms is crucial for anyone involved in the construction industry, whether as an employer, contractor, or professional advisor. Familiarity with these terms will help ensure compliance with legal obligations, reduce the risk of disputes, and promote successful project outcomes.