



## Contents

<b>1. Planning your project</b>	<b>2</b>
<b>2. Selecting your professional team</b>	<b>3</b>
<b>3. Identifying the need for planning permission</b>	<b>3</b>
<b>4. Other permissions and statutory consents</b>	<b>4</b>
<b>5. Choosing your procurement method</b>	<b>5</b>
<b>6. Using standard form building contracts</b>	<b>6</b>
<b>7. Choosing the right contractor</b>	<b>7</b>
<b>8. Planning and controlling your finances</b>	<b>8</b>
<b>9. Monitoring your project closely</b>	<b>8</b>
<b>10. Sign-off and handover</b>	<b>9</b>

# 1. Planning your project

Good planning is the key to managing a successful building project.

It is important to understand that all construction projects are risky. The success of your project depends on reducing these risks as much as possible.

These risks almost always result in extra costs and delay. Although risk cannot be removed or avoided, it is prudent to allow sufficient contingency funds to cover such cases.

Make sure you provide adequate time to research, plan and design your building project. Be clear what you want your project to achieve. Your design team will advise you how to meet your project outcomes so that your building is 'fit for purpose'.

Engage professional advice as early as possible when developing your project or grant application. Project risks can often be mitigated by having detailed surveys carried out at an early stage such as an asbestos survey, ground investigation or flood risk assessment.

Make sure you also leave enough time to obtain all appropriate approvals and permits from the relevant authorities and bodies.

You also think about the following issues when planning your building project.

## The nature of the project

- ▶ Is your project a new detached property, an extension of an existing building or a refurbishment scheme?
- ▶ Does it involve restoring an historic structure?
- ▶ Is it a rebuilding following flood or fire damage?
- ▶ Is it a repair and maintenance programme to a portfolio of properties?

## The scope of the works

- ▶ Is there something unusual about the size, complexity or location of the works?
- ▶ Are there access problems?
- ▶ Does the work involve basic or specialist industry skills?
- ▶ Is the proposed design innovative demanding sophisticated construction methods?
- ▶ Is there specialist subcontractor's work with a design content?
- ▶ Are there a number of specialist engineering installations?
- ▶ Is your project a single construction or is it phased work?

## Measure of control required

- ▶ Do you want the design of your building to be wholly in the hands of your consultants or should some of the design be placed with a contractor?
- ▶ Should there be provision for design by specialist contractors in terms of materials or workmanship?

Defining what you want from your project at the outset will assist you and your professional team in developing a sound and robust brief so that your building will be fit for purpose. Remember, changes to your project at later stages will often be expensive.

Another sensible procedure is to create a risk register at an early stage of the project. This will allow risks to your project to be fully identified as well as determining the likelihood and impact of the risk happening. As work is carried out to reduce these risks, their potential impact can be reduced or they can be removed altogether. This will also give you a good indication of the level of financial contingency that should be required for your project.

## 2. Selecting your professional team

Selecting the most appropriate team of consultants and professional advisers is vital to achieving project success and must be carried out carefully.

Your choice should be based on a range of criteria, including the type, scale, degree of innovation and time frame required for the project, your range of experience, and the skills that your organisation and your chosen advisers have. You might find it useful to employ a specialist procurement adviser whose role is to guide those with little experience of capital projects through the initial process.

### Key points

- ▶ Employ suitably qualified, experienced and competent professional advisers and consultants, for example, chartered surveyors, architects, engineers.
- ▶ When appointing a professional team, make sure they will manage your interests as the client. It may also be prudent to include within your consultants' scope of service an item for "insolvency management".

It is also important the need to adopt a sustainable approach in your project's design is reflected in selecting team members. The issue of sustainability comes from environmental concern over the protection of our natural surroundings, the way in which building works may use resources, cause pollution or destroy plant and animal life in the pursuit of our needs.

Organisations such as the Royal Institution of Chartered Surveyors, or the Royal Institute of British Architects will advise you about competent firms. Your local authority may also be able to give you a list of recommended professionals.

## 3. Identifying the need for planning permission

Planning permission, obtained by making an application to your local planning authority, is required for most building work.

Although you may be certain that your project will be approved (or does not require planning permission) check with your local planning authority first.

Talking to your local planning authority before you start will allow you to get an idea of how acceptable your proposals are and whether there would be any limitations to them, for example, restrictions on opening times, external lighting, vehicular and pedestrian access, noise.

Always allow sufficient time for a decision to be made on your application by the local planning authority within your project timetable. Also allow time to satisfy any conditions that may be attached to planning consent.

## 4. Other permissions and statutory consents

Covenants or other restrictions in the title to a property, or conditions in a lease, may require you to obtain someone else's agreement or permission before carrying out work to a property, for example, landlords' consent, easements, rights of way, listed building consent.

Buildings are 'listed' because they are of special architectural or historic interest and have special protection. Listing protects the whole building, both inside and out and possibly also adjacent buildings.

The prime purpose of listing is to protect the building and its surroundings from changes which will materially alter the special historic or architectural importance of the building or its setting.

Listed Building Consent is required to carry out any works to a listed building which will affect its special value for listing purposes. Almost certainly required for major works, consent may also be necessary for minor alterations, repairs, maintenance or for a change of use of the property.

If you are unsure if your building (or one in close proximity) is listed, your local authority will hold a copy of the Statutory List for public inspection; this gives details on all listed properties in your area. We recommend that you discuss your proposals with your local authority before you make an application for listed building consent or proceed with any works. Carrying out or instructing works to be carried out on a listed building without prior consent is a criminal offence.

Remember, a proposed development often does not stop at the boundary line. Your project may affect your neighbours. This is of particular relevance where there are adjoining properties or those in close proximity. Think about whether you will need to gain access to your neighbours' property to carry out the works or if any works will affect neighbouring properties, for example, restricting access. In cases such as these, it is often best to speak discuss with your neighbours how your building project may affect them.

Have someone with legal knowledge to check your title report for any easements, special conditions or restrictions relating to the development of your property.

## 5. Choosing your procurement method

Procurement covers all those activities that you need to contract out when a building is constructed or refurbished.

For your building project to be successful you need to consider the benefits, risks and any financial constraints that will affect the contracts you draw up with your builders etc.

The choice of procurement route is governed by three main factors:

- time
- cost
- quality.

It is vital to that you choose the most appropriate method of building procurement. Identifying and dealing appropriately with risk at the outset is integral to any successful building project.

The choice of an appropriate procurement method may be greatly influenced by various external factors. The basis of your choice should only be made following a careful analysis of your individual situation after obtaining independent professional advice.

The following list should help as a prompt in discussions with your professional advisers.

### **A Timing**

How important is early completion to the success of your project?

Does the grant programme funding your project have any time constraints?

### **B Control of variations**

Have you considered whether there may be a need to alter your project in any way once it has started, for example to accommodate new activities?

### **C Complexity**

Does your building need to be technically advanced or highly serviced? [Not clear]

### **D Quality**

What level of quality do you require in the design and workmanship of your project?

### **E Cost**

Do you need to have a firm price for your project before you proceed? For example, is any match-funding secured or can budget over-spends be underwritten?

### **F Management**

Do you or your organisation have sufficient resources and competencies to manage separate consultancies and contractors, or do you require one firm to be responsible for managing your project?

### **G Accountability**

Do you want direct professional accountability to you from the designers and cost consultants?

### **H Risk avoidance**

Do you want to pay someone to take the risk of cost and time slippage from you?

Procurement selection needs considerable professional judgement; you should always get professional advice.

## 6. Using standard form building contracts

'Standard' refers to forms of contract that can be taken "off the shelf". Standard form contracts are pre-prepared contracts where all the terms have already been set.

These contracts are suitable for a range of projects. So they can be used as they are, subject to choosing from a few alternative clauses and to filling in some project specifics.

As stated, construction projects are risky and potential disagreements with your contractor may arise. Ways of settling them are often provided in these forms.

The contract will confirm who is to carry out specific duties and accept certain obligations. For example, the extent to which construction and design responsibilities are allocated between your professional consultants, contractor and subcontractors should be clear.

Contracts do not provide for all eventualities, however. When you are finalising the contract, you should insist that:

- any changes to the contract are made at invitation to tender stage to avoid costs being added later, and
- that it is signed by all relevant parties before work starts on site.

The choice of contract flows from your chosen procurement route; get advice on their suitability for your project from your professional advisers.

## 7. Choosing the right contractor

Choosing the most appropriate contractor is a fundamentally important part of procurement. Ensuring that your chosen contractor has the correct combination of technical skills, managerial expertise and financial resources will be critical to the success of your building project.

The key risk in any capital project is that the chosen contractor will fail to complete the project within time, budget or acceptable quality standards.

A large part of the uncertainty in choosing a contractor can be overcome if some form of pre-qualification is used. This process ensures that, before being included on your tender list, contractors are assessed to ensure that they:

- have the necessary technical and managerial skills to complete the work
- have the necessary resources, both technical and financial, to complete the project, and
- wish to submit a genuinely competitive tender.

When choosing a builder, always ask for references and check them to ensure that they are genuine. Ideally, you should be able to visit recently completed work and talk to the owners. The following is a list of the general factors that you should consider when pre-qualifying a contractor:

- financial resources and stability
- size of order book
- normal area of operation
- main area of specialisation
- management expertise
- technical expertise and resources
- effectiveness of on-site supervision
- standards of quality and workmanship

- safety procedures and past record
- punctuality from start to finish
- environmental policies.

Membership of the TrustMark scheme indicates a firm's reliability and reputation and shows that it has insurance liability cover. To check that the firm is a TrustMark operator visit the TrustMark website [address?].

TrustMark provides all the information and advice you will need in a clear, practical way and will guide you through the entire process of appointing a builder, from advice in the early stages to finding a list of local registered firms.

Other signs of a reputable firm include membership of professional bodies, or schemes such as Considerate Constructors or the CIOB's Chartered Building Companies/Consultancies (CBCs).

In many cases, these will provide you with some assurance that work will be carried out to a high standard and that there is a clearly-defined complaints process in case of any problems. However, you should still be cautious. Contact whichever trade association or professional body the builder/firm is a member of to confirm their membership and also check whether the scheme gives you any rights in case things go wrong.

Your consultants and professional team will help you in choosing a suitable contractor. Or, you can contact your local authority to see whether it has lists of approved contractors. You can also use online contractor databases such as the Government-run ConstructionLine. [address?]

## 8. Planning and controlling your finances

You must have a financial plan. Your professional team will be able to give you an idea of how much the whole project is likely to cost from the early feasibility estimate.

Project costs should be presented as a cashflow forecast allowing you to plan payments and schedule payments of your grant money.

It is important that all elements are taken into account including the construction costs, land cost, professional fees and payments for the likes of legal requirements and statutory authority costs.

## 9. Monitoring your project closely

Being the client/employer can be a large commitment and the early identification of issues that may affect the success of your project is key.

You should be able to rely on your professional team to run most aspects of the project. However, you should always retain a good grasp of all elements of your project.

It is particularly important that you keep a close eye on the costs as well as project progress against schedules as these are the areas that are most likely to change.

It is important that all communications between you and your professional team and contractor are recorded in some way. Following a telephone conversation a file note should be made or an email confirmation should be sent. Breakdowns in communication are a key risk for any building project.

You will also need to be available to make decisions. Prompt decision-making will result in delays and additional costs. If you are unable to make decisions at any specific time, you should appoint someone to make those decisions for you.

Regular progress meetings with your design team (at least once a month), preferably on-site (so you can see progress for yourself) are essential. Your professional advisers should keep you up-to-date with regular cost and programme reports as well as how any applications for statutory or other approvals/permissions are progressing.

## 10. Sign-off and handover

Practical completion is the stage of a project when your contractor will hand over your completed building. At this stage the works should be complete and all certification in place including a sign-off of any planning conditions, building control approval, gas and electricity test certificates, etc.

Before completion a member of your design team or a clerk of works should draw up a snagging list, identifying any minor defects with the building.

It is always advisable that you attend any snagging meetings before handover of the building. This way you can be sure that any concerns you have over workmanship or completeness are raised and recorded as part of the sign-off process.