

BRIEF UPDATE

FROM THE CONSTRUCTION DIVISION



SBCC - out with the old, in with the new

With SBCC about to publish Revision 2 to the 2005 standard forms of building contracts now seems a good time to ask:

- How are the “new” forms doing?
- Have they been adopted across the board or are some users still tending towards the older more established forms?

For the first time the SBCC 2005 contracts amalgamated the JCT contracts and the Scottish supplements into one stand alone booklet. JCT had already started its own revolution by re-ordering the clauses into sectional topics and introducing new provisions relating to third party rights, collateral warranty agreements and professional indemnity insurance.

The advantage of the new style contracts is that all provisions are contained in one booklet which incorporates (as options) both sectional completion and contractor designed portion clauses. The downsides are that the forms are physically harder to complete- the previous option of typing on the coloured SBCC form has gone - and any substantive amendment will require a complete reprint of the whole booklet (single sheet supplements are still possible as in the case of the April 2007 CDM amendment which was then

incorporated into the October 2007 revision.)

Given that the 2005 forms have now been with us for several years and a number of amendments already published why would anyone still wish to use the old SBCC forms? Here are a few reasons why you should *not* use them:

- the old forms are no longer published therefore unless you have a set stockpiled in your office you won't be able to obtain them
- the old forms are out of date, e.g. they do not incorporate the CDM Regulations 2007
- to bring the forms up to date will require bespoke amendments which will increase the cost involved to employer and contractor
- future amendments, e.g. provisions to implement the proposed changes to the Construction Act will only relate to the new forms

While the new SBCC forms are not perfect they are a step in the right direction for developers, contractors and professionals and they should be encouraged to use them more widely. That is not to say that in particular cases amendments to the standard form will not be required to deal with a project specific issue or an ambiguity in the standard form drafting.

Also bear in mind that SBCC forms are not appropriate for every type of construction project – there are many other standard forms which should be considered, for example ICE, NEC.

Last but by no means least - as a word of caution, whichever form you are using make sure it is properly signed and expressly incorporates all the documents which are intended to form part of the contract.

For further advice and information please contact the Construction team:-

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