
EXPLANATORY NOTE

(This note is not part of the Order)

Part II of the Housing Grants, Construction and Regeneration Act 1996 makes provision in relation to construction contracts. Section 114 empowers the Secretary of State to make the Scheme for Construction Contracts. Where a construction contract does not comply with the requirements of sections 108 to 111 (adjudication of disputes and payment provisions), and section 113 (prohibition of conditional payment provisions), the relevant provisions of the Scheme for Construction Contracts have effect.

The Scheme which is contained in the Schedule to these Regulations is in two parts. Part I provides for the selection and appointment of an adjudicator, gives powers to the adjudicator to gather and consider information, and makes provisions in respect of his decisions. Part II makes provision with respect to payments under a construction contract where either the contract fails to make provision or the parties fail to agree—

- (a) the method for calculating the amount of any instalment, stage or periodic payment,
- (b) the due date and the final date for payments to be made, and
- (c) prescribes the period within which a notice of intention to withhold payment must be given.