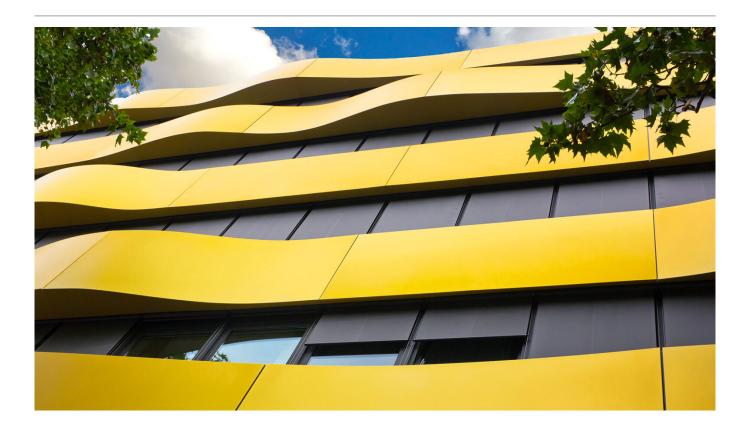


What's changed in the JCT 2024?



The Joint Contracts Tribunal (JCT) published the first of the 2024 suite of contracts on 17 April, being the Design & Build Contract and the Design & Build Sub-Contract. Whilst the changes from the previous 2016 editions are not as substantial as had been expected (especially in relation to building safety), the 2024 editions do include some important updates, which we consider below:

Contractor's design liability

Significant changes have been made to the wording of the contractor's design liability clause, which now reflects the standard amendment practitioners would make. The 2024 edition now limits the contractor's liability in relation to design to no greater than the 'use of reasonable skill and care'. Unless required by statute, the contractor will have no liability that any design shall be 'fit for purpose'.

Electronic communication and signature

JCT 2024 modernises the approach to electronic communications and signatures; the contract particulars now include an optional provision for the parties' email addresses for the service of notices and other communications.

'E-signing' has been commonplace for a number of years, and JCT 2024 has supplemented the execution notes to recognise that the use of electronic signature can be used to validly execute contracts and deeds which will no doubt be a welcome addition for all those dealing with these kinds of contracts on a day-to-day basis.



New Relevant Events and Relevant Matters

'Relevant Events' under JCT are the grounds upon which a contractor could claim for an extension of time, whilst 'Relevant Matters' list the grounds for loss and expense claims. In response to the COVID-19 outbreak, 'epidemics' have now been added to the list of Relevant Events and Relevant Matters, as has the publication of any guidance from the UK government, local or public authority (or equivalent authority) which would affect the execution of the works.

Collaborative working

Originally an optional schedule in JCT 2016, collaborative working is now a default article in JCT 2024, requiring the parties to work in a 'co-operative and collaborative manner, in good faith and in the spirit of trust and respect'. That said, no clarification or guidance as to what this means in practice is given so it will be interesting to see how this unfolds in practice.

Building safety

In the aftermath of the Grenfell Tower tragedy, and the introduction of the <u>Building Safety Act</u>, practitioners expected JCT 2024 to include detailed drafting to deal with this complicated piece of legislation and in particular the new building regime embodied in the three gateways for higher risk buildings. However much of the devil seems to be in the detail of the accompanying contract guide and the BSA compliance notes that JCT have produced as opposed to actual drafting in the body of the agreements themselves where the focus seems to be on the new dutyholder regime.

Dispute resolution

A further optional schedule from JCT 2016, 'notification and negotiation of disputes' has become a default provision, requiring the parties to 'meet as soon as practicable for direct, good faith negotiations to resolve the matter'. Parties may now add their own name for the adjudicator nominating body and arbitrator appointer – something the parties had not been able to do under JCT 2016.

Summary

The 2024 suite has been long awaited not least because the industry was keen to see how JCT was going to deal with the BSA. It is disappointing but not entirely unexpected that the amendments are fairly limited with heavy reliance on the sweeper of the contractor's general obligation to comply with legislation. What this means is that for higher risk building projects the new building regime will need to be addressed with supplemental drafting. Practitioners will therefore need to put their thinking caps on.

How we can help

If you would like further advice or information, please get on touch with the Construction Team

Upcoming webinar

The Joint Contracts Tribunal (JCT) has released the 2024 edition of the Design & Build Contract, introducing important changes for construction professionals. **Join our complimentary webinar on Thursday, 27 June** to gain a clear understanding of the revisions and their implications for your projects.

Cripps



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