

Code of Practice for Agents Undertaking Renovation Grants

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Introduction

Over the last five years Wrexham Council has been responsible for spending £19 million on House Renovations, Disabled Facilities and Minor Works Grants. Many of the House Renovation grants have been prepared, submitted and supervised by private sector agents and since April 1996 the Council has been commissioning renovation grants from an approved list of Agents.

The Council has implemented this Code of Practice since April 1998. The Code of Practice assists Agents to ensure renovation grants are completed on time, at the right price, to the desired standard and to the satisfaction of both the Council and the applicant.

Nationally, fraud within House Renovation Grants is second only to Housing Benefit in size. This Code of Practice attempts to set procedures which will minimise the scope for fraud in this area.

Complaints from applicants and the general public do sometimes occur and all complaints must be addressed. The "Code" sets out a procedure and the role the agents play when dealing with complaints. You may have your own procedures set by the relevant bodies you are a member of. However, this Code of Practice is intended to enhance those procedures.



1. Approved List of Agents

1.1 Inclusion on the Approved List of Agents

You should have already submitted information to us for consideration to be included on the approved list of Agents. For initial and continuing inclusion on this list the following criteria will need to be met.

- Corporate Membership of one of the following:-
 - a) Royal Institute of British Architects
 - b) Royal Institute of Chartered Surveyors

Qualification must be held by a partner of the practice and not merely by an employee or consultant.

- c) *Chartered Institute of Building*
 - d) *British Institute of Architectural Technologists*
 - e) *Association of Building Engineers*
 - f) *Institute of Building Control*
- Current appropriate professional indemnity insurance as required by the relevant institute. You may be required to produce the policy schedule and receipt for the last premium paid.
 - A satisfactory record of performance in renovation grants

These items will be monitored by the Council at least annually.

1.2 *Removal from the Approved List of Agents*

Actions of an unprofessional nature including fraud will result in the removal of the agent instantly. The Council reserves the right to remove any agent from its approved list at any time as the Council shall in its absolute discretion, think fit in accordance with paragraph 1.3.

Any decision to remove an agent from the list will be taken in consultation with the Chief Planning Officer and the Agents will be informed accordingly.

1.3 *Review of the Approved List of Agents*

The list will be reviewed annually. Continued inclusion on the list will depend upon:-

- Level of service
- Standard of Customer Care
- Continued membership of the appropriate professional bodies
- Maintenance of professional indemnity insurance

1.4 *Selection of the Agent*

When a renovation grant is allocated to a particular agent, the agent will receive the following:-

- A letter of appointment, giving the name and address of the applicant and their contribution if any towards the works
- The Council's Schedule of Works
- "The Agreement" to be entered into between the applicant and the appointed agent

Selection of the Agent will be undertaken strictly on a rota basis and this will be monitored by the Principal Grant Officer.

2. **Procurement**

As an agent approved and appointed by Wrexham County Borough Council it is essential that you follow the tendering procedure outlined below. When compiling this procedure reference has been made to the "Code of Procedure for Single Stage Selective Tendering" issued by the N.J.C.C and to the roles of the parties set out in ASI form of contract.



2.1 *List of Tenders*

It is envisaged that you will be commissioned to undertake grant applications at regular intervals as finance dictates and in strict rotation with other agents on the approved list. Therefore you should maintain your own approved list of Contractors suitable for Housing Grants. A minimum of two tenders will be required by the Council for grant applications.



2.2 *Short List of Contractors*

When selecting the short list of contractors for tendering purposes the following points must be considered:-

- *The Contractors financial standing and record*
- *Whether the Contractors have had recent experience of grant work at the required rate of completion over a comparable contract period*
- *The Contractors general experience, skill and reputation in the area in question*
- *Whether the technical and management structure of the firm including Management of Sub-Contractors is adequate for the type of contract envisaged*
- *The Contractors competence and resources in respect of statutory health and safety requirements*
- *The Contractors approach to quality with emphasis on quality assurance systems*
- *Whether the firm has adequate capacity at the anticipated start and during the Contract period of the grant*
- *Evidence of suitable public liability insurance cover during the contract period*
- *The Contractors attitude to applicants who sometimes reside in the property when work is in progress*
- *The Contractors awareness of protection of applicants fittings and possessions during the contract period*
- *The Contractors awareness of neighbouring properties in close proximity of the grant aided works*

Approved lists should be monitored and reviewed periodically to exclude firms whose performance has been unsatisfactory, and allow the introduction of suitable additional firms.

The object of selection is to make a list of firms any one of which could be entrusted with the job. If this is achieved, then the final choice of Contractor will be simple and will be that contractor offering the lowest tender. Only with the expressed prior written approval of the Council will there be a departure from this procedure



2.3 Tendering Procedure (Preliminary Enquiry)

It is envisaged that most agents will follow the N.J.C.C. "Code of Procedure" mentioned earlier, regarding the preliminary stage and it is the Council's opinion that best practice dictates that this should be followed.

2.4 Tender Documents

The conditions of tendering should be absolutely clear so that all tenders are submitted on the same basis. The contract period should be specified in the tender documents and Contractors should be required to submit tenders based on the same period of completion in order to limit competition to tender price only.

The Council will insist that the nominated contractor and the applicant (employer) enter into a building contract. The Council's Technical Agency who undertake renovation grants within the authority's two renewal areas have found using the "Architects and Surveyors Institute" minor works contract user friendly to both the contractor and particularly the applicant. Copies are available from the Architects and Surveyors Institute.

Architects & Surveyors
Institute
15 Mory Street,
Chippenham,
Wiltshire, SN15 3JN
Tel: 01244 444505 /
655398

When using this form of contract the following amendments will be required:

- Clause 4.2 * Insert 3 months
- Clause 6.1 Omit
- Clause 6.4 * Insert 5%
- Clause 6.7 Omit
- Clause 8.1 Omit
- Clause 8.2 * Insert 10%

2.5 *General Conditions, Specifications and Schedule of Works Working Drawings*

These should be dispatched to the selected Contractor as soon as is practical.

General

Conditions will describe the project, parties, consultants and Conditions of the Contract. Specifications should be referred to British Standards, Codes of Practices etc. The Schedule of Works should be compiled with reference to the Council's Schedule of Works. Any additions or omissions from this must be discussed with the appropriate Grant Officer beforehand and amendments must be authorised in writing on behalf of the Council. The use of provisional and contingency sums is not permitted.

Nomination of Specialist Contractors in respect of damp-proof course and timber treatment will be permitted but an estimate from these contractors will have to be produced and approved beforehand.

Tenders should be worded in accordance with NJCC and a covering letter which specifies the date / time / place for return, the requirement to use a pre-addressed envelope which shall be securely sealed and bear the word 'Tender' followed by the Subject to which the tender relates, but shall not bear any distinguishing matter or mark intended to indicate the identity of the sender and prospective tenders shall be notified accordingly.

All such envelopes shall be addressed to the agent concerned who shall mark each envelope with the date and hour of receipt immediately envelopes are received, record and retain them in his custody, under suitably secure arrangements, until the time appointed for their opening. Tenders must be signed and dated by Contractors.

For the avoidance of doubt, the tender price must be submitted in words and figures.

2.6 *Time for Tendering*

Agents must be aware that it is the policy of the Council to reassess the applicant's contribution six months after their initial test of resources. Although it is important to allow an adequate tendering time to reduce the possibility of mistakes, the Council feels that 21 days for most grant applications is adequate for a Contractor to prepare a tender, and 28 days for grant applications of an unusual nature. It is important that, in order for the contractor to compile a tender, he is given all necessary information when invited to tender.

The Council reserves the right, at any time to observe any part of the tendering process or to inspect any of the associated documents.

2.7 *Assessing Tenders*

All tenders returned should be held securely unopened until the return date has passed. They should be opened at the same time in the presence of a least two persons, one of whom should be independent of the process. The witness should initial and date each form of tender and sign and date a tender opening statement with a recommendation for tender acceptance. Any tender received after the specified date or time shall be returned promptly to the tender by the Agent. The tender may be opened to ascertain the name of the tendered, but no details of the tender shall be disclosed. Save that such tender may be considered when the agent concerned is satisfied that there is evidence of posting in time for delivery by the specified time in the normal courses of post delivery and the other tenders have not been opened.

Agents should then scrutinise the tenders ensuring all items are priced and are arithmetically correct. When the examination of tender's reveals clerical or arithmetical errors or discrepancies which would effect the tender figure(s), the tender is to be given details of such errors and discrepancies in writing by the agent, and

- *In the case of transcription or computations manifest upon the face of the document then the tender shall be allowed the opportunity of correcting those errors*
- *In all others cases afforded an opportunity of confirming or withdrawing his / her offer in writing to the agent*

Each tender must be accompanied by a letter from the contractor on headed paper confirming their tender price.

If the tender withdraws, the next tender in consecutive order is to be examined and dealt with in the same way.

When the agent has identified the successful tender he should:-

- *Notify the Contractor in writing of his or their successful tender*
- *If the successful contractor refuses or withdraws, there should be a written explanation and confirmation of withdrawal, together with written acceptance on the same conditions, prices etc. by a different contractor from the approved list.*

2.8 Grant Submission

A minimum of two tenders are required from V.A.T. registered contractors who meet the criteria described earlier. The grant submission will consist of, priced bills along with the headed letters confirming the tenders, the opening statement together with all relevant reports, Structural Engineer's, D.P.C, Timber Treatment and Electrical etc. will be required. Four copies of the working drawings are required and all these should be submitted as a package to the Council. The tenders are checked by Grant Officers to ensure that all items in the Council's Schedule are included and are grant-aidable. The tenders are then submitted to the Councils Quantity Surveyors Section to confirm that the tender prices submitted are both fair and reasonable.

2.9 Reduction of Tender

In instances when the Quantity Surveying Section have amended the tender sum this will be communicated to the agent by the Grant Officer. The Agent has four courses of action:

- *Inform the Contractor who accepts the amendments*
- *Inform the Contractor who submits information to the Council's Quantity Surveyors to justify his original costs*
- *Inform the Contractor who refuses the amended tender sum. He should then approach the Contractor with the next lowest tender and enquire if that Contractor will accept the amended tender sum*
- *If the above courses of action fail to resolve the situation the agent would then have to re-tender for the work*



The Council reserves the absolute right to require a re-tendering exercise depending on the circumstances as it sees fit.

3. Approval

When the application is approved, you as the Supervising Agent will receive the following:-

- Copy of the approval
- Breakdown of the relevant costs used to calculate the grant
- Grant inspection notice cards
- Site record card.

3.1 Pre-Contract Meeting

Agents are reminded that renovation grants must be completed 12 months after the approval of the grant. If Agents feel that due to various reasons this condition cannot be met, he must then apply to the council in writing for an extension of time stating clearly the reasons.

A large proportion of renovation grants dictate that the applicants are to vacate the property. Although the council has no legal obligation to help with re-housing, depending on what vacant property is available, the council is sympathetic to requests from applicants who require temporary accommodation. Applicants who are of

Agents must be aware of "The Party Wall Act 1996" and advise the applicant if the works involved with the renovation grant invoke the Act and what measures need to be done under the Act.

The Agent must liaise with the applicant and the successful Contractor as to a start and completion date so that these details can be entered onto the contract.

pensionable age and/or are disabled who have no close relatives or friends to help could benefit from a free service provided by Wrexham Care and Repair.

Wrexham Care and Repair
Kelso House, 13
Grosvenor Road,
Wrexham LL11 1BS
Tel: 01978 364661

The pre - contract meeting will discuss the following:

- *The identity of the person at the Agent's practice for the project*
- *The applicant's address and telephone number when the works are in progress*
- *Contract start date*
- *Contract completion date*
- *Contract sum*
- *A copy to the applicant of the contract drawing and specification*
- *A date for service meter readings*
- *The check of the applicant's insurance both structure and contents, and the requirement of the applicant to notify the insurance company of the start of the proposed works*
- *The agreement of damages for non-completion. This figure should reflect the economic loss to the applicant i.e. rent, furniture storage, etc., and not be a penalty*
- *The applicant's contribution and method of payment*

3.2 Execution of Legal Contract

The Agent must inform the Council when "The Agreement" between the applicant, the Agent and also the contract between the applicant and the Contractor has been executed and should provide a copy to the council of the completed documentation.

4 Works in Progress

4.1 Commencement

The grant inspection notice received with the approval must be completed and forwarded to the Building Control Section indicating the start date of the project.

4.2 Mandatory Inspections

The following inspections (in addition to those subject to a building regulation application) will be carried out by the Council and notification will be required by using the cards provided.

- Excavations of floors
- Floors ready for concreting
- D P C installation
- Exposed roof timber

A 24 hour service is available on 01978 292567.

It must be emphasised that failure to inform the Council of the above inspections could result in non-recoverable costs. The Council has set targets for these inspections and will endeavour to respond to 80% of all requests within 4 hours providing the requests are received prior to 10:30 am on the day of inspection.

4.3 Discovery of Unforeseen Works by Contractors/Applicants

On discovery of assumed grant aided works, they must consult with the Agent who will then inform the Grant / Building Control Section of the Council who then will carry out on inspection and communicate to the Contractor if an estimate is required and to the Agent for him to issue an "Architects instruction".

Unforeseen works can be discovered from separate sources. These include the Contractor, Applicant, Agent and Grant / Building Control Officers.

4.4 *Discovery of Unforeseen Works by the Agent*

In this situation the Agent will inform the Grant/ Building Control Section who will follow the procedure outlined in paragraph 4.3 above.

4.5 *Discovery of Unforeseen Works by the Building Control/Grant Officer of the Council*

In this instance the unforeseen works will be agreed with the Contractor and Building Control/Grants Officer who will inform the Agent of the instruction. The Agent will then issue the relevant documentation to the Contractor regarding the unforeseen work.

4.6 *Estimates For Unforeseen Works*

Estimate for unforeseen works should be submitted as soon as possible to the Councils Quantity Surveying Department for approval.

The Contractor has a choice before undertaking the agreed extra work.

- Wait until the estimated has been approved
- Proceed with the agreed extra work with the risk of his estimate being questioned. In this case the risk lies solely with the Contractor.

4.7 *Supervising the Works*

A proportion of the Agent's fee is for supervising the grant. You will be required to complete the "site record card" sent at the approval stage. This card must be submitted to the Council us with the Contractors final account.

Essential inspections are:-

- Re-plastering after D.P.C installation
- The checking of timber lintels
- Proof of timber treatment plus other inspections deemed necessary by the Agent

4.8 *Interim Payments*

Applications for interim payment inspections should be made by the Agent. The Council will ensure that the interim inspection is carried out within 5 working days of receipt of the request.

Before interim payments are released payment control forms must be completed and forwarded to the Building Control Section of the Council

4.9 *Payments*

Payments will be made pro-rata between the Contractor and the Agent direct but the Agent will only be allowed two instalments of their fee.

When a Building Regulations application is required by statute, inspections of the relevant works will be carried out in the usual way, and notice must be given by the Contractor.

The Council will ensure that 80% of Certificates for interim payment are issued within 5 working days of proof of title.

5 **Completion**

5.1 *Final Inspection*

When the Agent is satisfied that the works are completed he then will issue a **'Practical Completion Certificate'** to the applicant and also to the Council. This will enable the Council to carry out their final inspection, and at this stage the Council will issue a payment control form for completion by the applicant.

5.2 Final Payment Forms

To enable the Council to release the final payment the following documents must be submitted.

- The final account with the original contract price, omissions and additions clearly identified. The final contract price must be agreed and approved by the Quantity Surveying Department of the Council
- All relevant certificates:
 - i. D.P.C & timber treatment guarantees (insurance backed)
 - ii. Gas Flue Test
 - iii. Final legal title authorised by the Council's Legal Department
 - iv. Letter of satisfaction signed by the applicant.
- The final payment will consist of the following:-
 - i. The Contractors final payment less 5% paid direct
 - ii. The Agent's final payment plus the above retention of 5% paid direct
 - iii. The Council's administration fee will be deducted by means of an internal transaction.

5.3 Final Certificate

The Agent must undertake an inspection of the property within three months of the issue of the "Practical Completion Certificate". When he is satisfied that any patent defects are completed he will issue the final certificate to the applicant and Council, and release the 5% retention to the Contractor.

An initial final inspection must be carried out by the Agent before requesting a final inspection from the Council. He must be satisfied with the completed works and that all items on the Contractors final account are correct. The Agent should also reach agreement with the applicant.



6 Complaints

Applicants satisfaction with the renovation grant system depends on the following:

- *The length of time the applicant has been on the Council's enquiry list*
- *The service provided by the Agent*
- *The service provided by the Council*
- *The performance of the Contractor*
- *Applicants expectations of the completed renovation grant*

6.1 Complaints Dealt With by the Council

Complaints by the applicant to the Agent regarding the Council's performance must be forwarded to the Council to be dealt with under the Council's complaint procedure.

6.2 Complaints Dealt With by the Agent

Complaints as to the following will be dealt with by the Agent:

- Agent's performance
- Contractor performance
- Complaints from neighbouring owner/occupier regarding the works in progress
-

All copies of complaints and responses must be forwarded to the Council. The Agents direct responsibility will end when he issues the "Final Certificate". All complaints after this should be forwarded to the Council to deal with.

6.3 *Applicant Expectations*

In order that applicant's expectations are not greater than those possible under the grant system a joint approach must be adopted by the Council and the Agent.

- *The Grant Officer will explain to the applicant when undertaking his inspection what is and what is not grant-aidable.*
- *The approved Agent will reinforce this when undertaking his survey and when furnishing a copy of the drawing specifications and tenders.*