

A guide for Applicants when appointing a Contractor

If you need more information regarding the grant-aid process, or want this information in an accessible format, please contact the Housing Executive Case Officer or Technical Officer dedicated to the case you are working on.

This guidance note is divided into four (4) sections, each section should be read in full.

1. [Section 1](#) - Disabled Facilities Grant – an overview
2. [Section 2](#) - Contractor Appointment Option 1
3. [Section 3](#) - Contractor Appointment Option 2
4. [Section 4](#) - Project Management and Payments.

Please read each section in full and in conjunction with the Housing Executive's leaflet on Disabled Facilities Grants and the guidance notes on grants that you receive with the approval pack. If you need more information, please contact your dedicated Case Officer

Section 1- Disabled Facilities Grant – an overview

Introduction

This guide is for private homeowners, landlords or private sector tenants who have received written approval for a Disabled Facilities Grant (DFG) from the Housing Executive and can start the adaptation work.

Funding for these grants comes from the Department for Communities. The Housing Executive administers the grant-aid on behalf of the Department.

This guidance note provides a brief summary of the grant processes and requirements in relation to the appointment of a contractor.

Now you have received written approval to start work you will need to choose and appoint a contractor to complete the work.

What does the Disabled Facilities Grant cover?

Eligible private sector applicants can apply for grant-aid for Disabled Facilities Grants up to £35,000 (inc. VAT and fees). Depending on the work required and your financial circumstances, there may be discretion to raise the grant allowance to a maximum of £70,000 (inc. VAT and fees).

Grant-aid is available to fund eligible works to an applicant's home that are considered by the Housing Executive to be necessary and appropriate in order to meet the needs of the disabled person as recommended by an Occupational

Therapist (OT), but only where it is reasonable and practicable to carry out the eligible works having regard to the age and condition of the dwelling or building.

Basic works

The formal approval offer is a detailed schedule of grant-aided eligible works which indicates the maximum grant-aid available for each item. This is costed on your basic scheme.

We refer to the eligible works required to complete the OT's recommendation as "the basic scheme". **Only these works are eligible to receive grant-aid.**

Enhanced works

An applicant may wish to carry out other works over and above those grant-aided works contained in the basic eligible scheme when they have a contractor onsite. These works are in addition to or may be separate from what has been recommended by the OT. For example, a larger kitchen or bathroom than is required to meet the applicant's needs as detailed in the OT recommendation or exterior landscaping not detailed in the OT recommendation.

An applicant may also change the specification of items from what is grant funded in the List of Grant-Aided Works and covered under the basic scheme. For example, changing electric fittings specification from basic white to a brushed metal finish or increasing the size of rooms in an extension, or additional works to the exterior of the house.

We refer to all such additional works as '**enhanced works**'. If you have any queries about what is considered 'basic' and what is considered 'enhanced' please contact your Technical Officer to clarify.

Please note.

Your chosen contractor's quoted costs for the basic scheme may be more than the value of the approved grant-aid. The difference must be funded by you (the applicant), and any payment should be agreed directly with your chosen contractor.

Any 'enhanced' works are 100% funded by you (the applicant), and payment for them should be agreed directly with your contractor.

Your (the applicant's) Responsibility

You are responsible for:

- identifying and appointing a contractor to complete the works at your home;
- managing the work when your contractor is onsite;
- telling the Housing Executive when the work starts;

- informing the Housing Executive when the works have been satisfactorily completed so payment can be arranged; and
- ensuring the Housing Executive has all of the required documentation in order to complete the final payment process.

If the value of the approved grant-aid is **more than £10,000** the applicant must appoint a contractor using one of the two options below.

- **OPTION 1:** Appointment of a Warranted Builder with Insurance Backed Guarantee
or
- **OPTION 2:** Appointment of a non-warranted builder but using a specified Building Contract.

Both options, and the grant-aid paid towards these, are explained in Section 2 and Section 3 of this guidance note.

Please note, grant-aid will only be paid using one of the two options specified above.

Selecting a Contractor

Guidance on choosing a contractor is available on NI Direct [Appendix 1](#) is a copy of this information. We encourage you to read it carefully as you make your selection.

Ensure that you request a quote **in writing** for the grant-aided work i.e. for the **basic** scheme as per the approved List of Grant-Aided Works.

If you are self-funding any **enhanced** works, the contractor's quotation should itemise the cost for this work separately from the cost for the grant-aided work (basic scheme).

The Housing Executive's role

The Housing Executive has no contractual role in the contract between the applicant and their appointed contractor to carry out the works. The Housing Executives role is to administer the processing and payment of grant-aid on behalf of the Department for Communities.

It is your responsibility to choose a contractor to your satisfaction to complete the work and manage the works when onsite.

Sections 2 and 3 - provides more detail about the two contractor appointment options available.

Section 4 – provides information to help you manage your project and how to request grant-aid payments.

Section 2 – Contractor Appointment Option 1

Warranted Builder with Insurance Backed Guarantee

Under this option, you select a contractor that is registered with the **Federation of Master Builders'** (FMB) warranty scheme.

FMB will have vetted the contractors on their list. They will have inspected previous work before accepting the contractor onto the scheme and will provide an insurance guarantee for the works.

The Warranted Builder must be a member of the FMB Insurance Warranty scheme.

When work at your home is completed, FMB will issue a warranty bond which provides cover for structural defects and insolvency for a period of up to two years.

This means that during this two-year period, should any structural defects arise with the works, there is some security that the works may be remedied. This will be dependent on an inspection by FMB's insurer.

If a dispute occurs between an applicant and their chosen contractor, the FMB warranty scheme can offer an Alternative Dispute Resolution service to help resolve the dispute.

Further details of this service are available by visiting: www.fmb.org.uk/find-a-builder/dispute-resolution.html

The cost of the FMB warranty bond is eligible for grant-aid and will be included in the applicant's List of Grant-Aided Works. The maximum grant-aid amount that will be paid towards this is a percentage of the approval value, up to a maximum value of £375.

The following steps should be followed, and points noted when selecting a Warranted Builder:

How to appoint a Warranted Builder

The current scheme, approved by the Housing Executive, is available through the Federation of Master Builders (FMB).

FMB will provide applicants with a list of Warranted Builders:

Telephone: 0330 333 7777; alternatively,
a list is available on their website www.fmb.org.uk/find-a-builder.html.

Contractors who need to access a warranty bond must have FMB membership. FMB is available to help the contractor through their application process. Contractors can use the link below for information on how to become registered with FMB.

www.fmb.org.uk/become-a-master-builder.html or telephone FMB NI office: 028 9446 0416.

You should still follow the guidance on choosing a good builder from the NI Direct website, even if you are choosing to use a FMB Warranted Builder.

You should make sure that your contractor has a copy of your drawings specifications and is aware of both the basic scheme and any enhanced works you have chosen to carry out.

Arrange Insurance Cover

Before works at the property start, applicants must ensure that their chosen Warranted Builder has applied for an insurance backed guarantee and they have received their Intent to Insure document from FMB. Applicants also must request a copy of the contractor's written guarantee.

Copies of the following documents must be sent to the Housing Executive Grants office, as follows:

- Contractors written Guarantee as required by the conditions of FMB insurance backed guarantee
- Intent to Insure document from FMB
- Housing Executive Commencement of Works form

Familiarise yourself with the Warranted Builders dispute resolution service

FMB provides an Alternative Dispute Resolution service free of charge to the building client (the applicant) and a contractor.

Further details of this service are available at: www.fmb.org.uk/find-a-builder/dispute-resolution.html

Please note,

The Housing Executive does not engage in any process to resolve disputes which may arise between the applicant and their chosen Warranted Builder.

The Housing Executive will not fund any costs incurred by either the applicant or a Warranted Builder in respect of dispute adjudication or court proceedings should either prove necessary to resolve a contractual dispute.

Request Warranty Bond

When the eligible grant-aided works are completed, you should request the final warranty bond certificate from your Warranted Builder.

The certificate should reflect the total cost of all completed works – including any enhanced work - at your property and the date that the warranty bond expires.

The final warranty bond certificate must be forwarded, with all final documents to the Housing Executive.

The Warranty Bond fee is paid by the Housing Executive at final payment stage.

Section 3 - Contractor Appointment Option 2

Use of a formal building Contract

Under this option you are required to put a contract in place with your contractor **before work commences**. This will provide you and your contractor with a clear structure for delivery of the project.

This includes, but is not limited to:

- contractors being required to give a short description of the works to be completed,
- contractor's itemised quotation,
- the working period,
- the amount of working hours to be incurred on site,
- details of the amount the contractor is insured for "all risks," and
- details of the public liability insurance which the contractor has in place.

The contract sum should be the total cost of the all the works for the scheme (including any enhanced works, if applicable). Please remember that the Housing Executive will only pay grant-aid towards the costs / items detailed in the List of Grant-Aided Works and known as the basic eligible scheme.

Please note.

The Housing Executive's role is to administer funding to the applicant. The contract is between the applicant and the contractor only.

The Housing Executive does not have a contract with an applicant's chosen contractor.

The applicant (or applicant's agent) purchases an original JCT Contract entitled "Building contract for a homeowner / occupier who has not appointed a consultant to oversee the work" (hereinafter referred to as "JCT Contract") or an equivalent approved contract.

Please note

The Housing Executive may decide to approve a request from either the applicant or their contractor to use an alternative Form of Contract to the JCT Contract on their project; but only where this request is accompanied by a Solicitor's Letter or other professional substantiation, confirming the equivalence of the proposed alternative Form of Contract to the JCT Contract.

The Housing Executive will not be responsible in any way for any shortcomings in the chosen form of alternative contract.

If you choose to use the JCT building contract the following steps should be followed and points noted when selecting a contractor and preparing to use the contract option:

Purchase an original JCT contract entitled “*Building contract for a homeowner / occupier who has not appointed a consultant to oversee the work.*”

JCT Contract users in Northern Ireland use the JCT 2016 Building Contract for a homeowner / occupier who has not appointed a consultant to oversee the work (together with the Northern Ireland Adaptation Schedules for same) or an equivalent approved contract.

Information can be found at: www.jctltd.co.uk/product/building-contract-for-a-home-owner-occupier

For copies of the Northern Ireland Adaptation Schedules, or any related queries, please contact The Royal Society of Ulster Architects at www.rsua.org.uk or call 028 9032 3760.

The JCT original paper contract purchase price upon submission of an invoice or receipt will be covered by grant-aid fees.

Appoint an architect or agent to assist with completing JCT contract.

You can ask your Architect, or agent, to complete the JCT contract on your behalf, as well as preparing plans and obtaining statutory approvals. The Housing Executive will provide additional grant-aid for the provision of this service.

If your architect or agent holds a license through the JCT website, they can avail of a JCT on demand electronic version of the contract and download it from:

www.jctltd.co.uk/jct-on-demand

The maximum additional professional fee payable for the service including purchase and preparation of contract documents is £250.00 (inclusive of VAT, for VAT registered professionals).

Please note:

This form of contract does not appoint the architect, or agent, as the project manager / contract administrator for your project.

Applicant and / or their architect / agent to review and submit a copy of the signed and dated JCT contract to the Housing Executive.

Please note.

Applicants (or their Agent) and contractors should familiarise themselves with the required Supplementary Conditions (see SC1 form) for all JCT Homeowner / Occupier (who has not appointed a consultant to oversee the work) Contracts for grant-aided works.

When both parties sign a JCT contract, they are both agreeing to the Supplementary Conditions document necessary to align the JCT contract with the Housing (NI) Order 2003 which is the legislation governing Private Sector Grants as well as the Housing Executive's Home Improvement Grants policy and procedures. This includes and is not limited to interim payment arrangements, scheme enhancement and works duration clauses etc.

A copy of the completed and signed contract must be sent to your Case Officer.

Please note.

The responsibility rests with the applicant and their architect / agent to ensure that the JCT contract is completed in the required manner.

The Housing Executive requires a copy of the completed contract for record purposes only.

The contract is between the applicant (homeowner / private tenant) and the contractor only.

The Housing Executive has no contractual role in the contract between the applicant and their appointed contractor to carry out the works.

Familiarise yourself with the JCT contract's dispute resolution service

If a dispute arises between an applicant and contractor this may be resolved by referring the dispute to adjudication through the provisions of the JCT contract.

The Housing Executive is not a party to the contract between the applicant and contractor and cannot act in the event of a dispute.

The adjudication scheme is run by the Royal Institution of Chartered Surveyors (RICS) or the Royal Institute of British Architects (RIBA).

Details of the dispute resolution service offered by JCT are detailed within the JCT contract guidance notes. These notes also include the maximum fees involved in using the adjudication service.

Alternatively, an applicant or contractor can choose to start court proceedings to settle any disputes.

Please note:

The Housing Executive does not engage in the process to resolve any disputes which may arise between the applicant and their contractor under the contract entered into between both parties.

The Housing Executive will not fund any costs incurred either by the applicant or a contractor in respect of dispute adjudication or court proceedings should either prove necessary to resolve such a contractual dispute.

Section 4 – Project Management and Payments.

Statutory Deadlines (for all options)

Housing Executive policy states that grant-aided eligible works must normally start within 6 months of the applicant receiving formal approval of grant-aid. All works must be completed within 12 months of the formal approval date.

Please note.

If the grant-aided eligible works cannot be started / completed within the above timeframes the applicant must seek approval to extend the timeframes from the Housing Executive before the time period indicated above has lapsed, to prevent payment of their grant-aid from being withdrawn. Time extension approval is not guaranteed and is at the sole discretion of the Head of Private Grants who will take into account the particular circumstances of each case under consideration.

Contractors are expected to inform their clients immediately if they believe the above deadlines will not be met so a request for an extension of time can be made as soon as possible.

Works Commencement

Prior to works commencing you **must** send to the Housing Executive, completed, signed and dated:

- Works Commencement Card; and
- Payment of Grant Monies assignment form.

Further details on the Grant Monies Assignment form are contained within the Disabled Facilities Grant guidance leaflet or by contacting your Case Officer. Please consider carefully how you wish to assign the payment of grant-aid monies.

Where an FMB registered contractor is undertaking the works you must also provide;

- The FMB intent to insure certificate
- Contractor's written guarantee

Where a JCT contract entitled "Building contract for a homeowner / occupier who has not appointed a consultant to oversee the work" or equivalent is in place you must also provide;

- Copy of the signed JCT contract or equivalent (for the Housing Executive's information file only)

Changes to the project / unforeseen works on site

A change to the project work or an unforeseen change may arise once the work starts onsite.

Please note:

If there are required changes to the project, or if there are unforeseen works on site, you must contact your dedicated Case Officer or Technical Officer immediately to seek further guidance.

Revised OT recommendations

Should an applicant's circumstances change and as a result a change(s) to the projects eligible works is required, a revised OT's recommendation must be submitted to the Housing Executive for approval before commencing work for any of the proposed changes.

If the proposed changes to the project are deemed to be practical, reasonable, and necessary, revised drawings may be required and further inspections organised on site. The Housing Executive will issue a revised List of Grant-aided Works and revised approval documentation to accommodate the change/ variation to the grant-aided works. The original date of formal approval remains – additional time cannot be applied automatically but must be separately applied for if required.

Unforeseen works

Unforeseen works are those which were not readily identifiable at the preliminary inspection. If something unforeseen arises during the course of the works the applicant is required to contact and inform the Housing Executive to highlight what has been identified and take no further action until the Housing Executive responds.

If unforeseen works are deemed appropriate to be included as part of the eligible works within the basic scheme a revised List of Grant-Aided Works and revised approval documentation will be issued to the applicant.

This documentation will approve the necessary changes and additional works and allow work to continue. The original date of formal approval remains – no added time is automatically applied.

The applicant/contractor should be aware of the change control process within the JCT Contract or equivalent approved contract if applicable for the unforeseen works.

Please note.

Changes to the project / remedying or undertaking work to unforeseen works, must not be started until the applicant has received prior approval in writing from the Housing Executive.

The applicant is solely responsible for paying any resulting shortfall in the amount of the actual cost differential between the amount of the revised grant-aid approved amount and the actual price charged by their appointed contractor.

Delay to the works

The Housing Executive will not pay any additional costs arising from the working period being extended due to any delay caused.

Interim Payment Requests

If required, the Housing Executive is able to arrange 'interim / stage payments' at your request while the works are ongoing on site.

Applicants should complete an interim payment request form and send to their dedicated Case Officer when their contractor requires an interim / staged payment.

The first payment can be requested when at least 25% of the eligible grant-aided works have been completed. Up to 75% of the value of approved grant-aid may be released in a maximum of three interim payments to the assigned payee.

At each payment stage a Technical Officer will visit the property to confirm if sufficient work has been satisfactorily completed to allow an interim payment to be made.

Final Payment Request

When work is completed, and the contractor requires a final payment, the applicant must return the Housing Executive's completion card. However, the Housing Executive's completion card should not be submitted until all works are completed and all required final documentation, as listed within the formal approval pack, is in the applicant's possession.

The Housing Executive will arrange for a Technical Officer and the OT to visit your home to confirm that the works have been completed, but not to inspect the quality of the works.

Your OT must confirm they are content that the completed works meets their latest recommendation before final payment can be made.

Please Note:

The Housing Executive Technical Officer's inspection is not for the purpose of assessing the quality of the completed work. This is the applicant's responsibility.

If the Technical Officer or the OT believes that the works are not to their satisfaction for sign off, then a list of outstanding works will be created and issued directly to the applicant. It is your responsibility to ensure that the identified issues are resolved by your contractor before final payment of the grant can be made.

Please note.

The final invoice from your contractor must be sent in before final payment of the grant can be made.

Where the invoice indicates a reduction in the eligible cost of the works, or a change in the VAT status of your contractor, the amount of grant payable will be amended accordingly.

If the contractor is not VAT registered the VAT included in your approval relates to VAT paid in respect of materials only.

The Housing Executive will endeavour to make final payment as quickly as possible following notification of completion and receipt of outstanding final documentation. The Housing Executive is reliant on the co-operation of the applicant and their contractor, to make the final payment in a timely manner.

If all requested completed documentation is not submitted to the Housing Executive or if there are issues identified by the Technical Officer / OT which are not resolved promptly, then final payment will be delayed.

Personal Data

To find out how we use your personal information and your individual rights you can view the full version of our Privacy Notice at www.nihe.gov.uk/privacy_notice.

Appendix 1:

NI Direct's information on 'Choosing a Good Builder.'

See: <http://www.nidirect.gov.uk/articles/choosing-good-builder> (as of 15 February 2024)

Choosing a good builder (NI Direct)

Carrying out building work can be quite stressful, disruptive, inconvenient, and costly. To minimise the impact of any building work on you, it is important to make sure you choose a reliable, skilled builder.

Finding a good builder

To find a suitable builder, you should:

- ask family or friends for a recommendation if they had building work done recently
- contact a local builders' association for a list of registered members
- ask two or three builders for estimates in writing, and ask them if you need planning permission for the work
- ask each builder for two or three references from previous customers - and contact these people and find out how happy they were with the work and the builder's conduct (if possible go and view some of the work)
- make sure the builder belongs to a respected trade organisation with membership standards
- check the builder has current membership and has the required health and safety training
- have a written agreement or contract with the builder, outlining the work to be done, finish date, security, and safety, catering and lavatory arrangements, disposal of waste materials, working hours
- ask to see the builder's public liability insurance certificate
- contact your insurance company as the building work may affect your home and contents insurance

Deposits and payment

You should only pay a deposit if:

- the work needs specific or custom-made material
- the work will take a long time to finish

If you're paying in stages, it is important to agree a written payment schedule.

Builder doesn't charge VAT.

If the builder offers you a VAT free deal, one of two explanations apply:

- the builder isn't registered for VAT because they do less than £85,000 of business a year
- they're avoiding paying VAT

You need to decide if:

- the builder is equipped to finish your work in the agreed time
- the builder will be in business if the work needs repair
- you have a valid contract when there is no proof of payment

Trustmark scheme

The scheme:

- makes sure traders who sign up are qualified to do building work
- has a complaints procedure
- www.trustmark.org.uk