



# KINGDOM Group

## Defects Policy

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**DEFECTS POLICY**

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## DEFECTS POLICY

### 1. Introduction

This policy applies to Kingdom Housing Association Limited and all its Subsidiary companies within the Kingdom Group of Companies.

### 2. Statement of Intent

We are committed to the principles of good corporate governance and sustainability and will endeavour to develop fair and consistent policies, procedures and practices.

This policy sets out our approach to ensuring that all defects identified in a construction contract during the period covered by the Contractor's liability are addressed effectively.

This policy mainly applies to our new build homes and refurbishment projects where a defects period for works carried out by an external contractor apply.

This policy should be read in conjunction with our [Reactive Maintenance Policy](#).

In adopting this policy on defects, we seek to ensure that:

- Homes handed over to us by contractors are completed to a high standard and are free from defects that could hinder our ability to let the homes quickly
- When defects occur or are identified they are dealt with promptly and remedied to a high standard
- An effective monitoring system is implemented to ensure that all identified defects are completed to the required standard within the period covered by the contractor's liability
- The information collected in connection with the implementation of this policy is used to inform our monitoring of contractors' performance, customer satisfaction and the quality of our service delivery

In line with our commitment to equality and diversity, this policy can be made available in a variety of formats, including large print, translated into another language or other media. We will make any reasonable adjustments to assist you if you have a disability.

### 3. General Principles

Remediation of defects will be carried out in line with the timescales set out in our Reactive Maintenance policy and in line with the Right to Repair scheme as defined in the Housing (Scotland) Act 2001. Our customers will receive the same standard of service whether or not a home is within the defects period. All of our required timescales are set out to the contractor as a contractual obligation through our Employers Requirements.

Our Construction Inspectors carry out regular on site checks throughout the construction period. We also request a third party new build warranty, NHBC or equivalent for each newly completed homes as part of the contractor requirements.

Due to the nature of defects and the fact that they are a contractual liability there are clear procedures and contractual principles that must be applied to ensure liability is maintained.

If a defect is not dealt with in the required timescale, we will arrange for the defect to be rectified by others with all associated costs deducted from the contractors' retention or charged directly to the contractor. In the case of emergency defects, the conditions within the build contract will allow us to undertake emergency work without giving prior notice to the contractor or developer, as soon as it becomes apparent that they have failed to meet the set timescales for emergency repairs.

Defects performance is monitored as part of operational KPIS and through the same operational systems as all our other repair jobs.

#### **4. Defects**

Our defects are defined in line with our reactive repairs policy and timescales and will be classified as follows:

- Routine Defects
- Urgent Defects
- Emergency Defects

#### **5. Defects Liability Period / End of Year End Defects**

The Defects Liability Period (DLP) is the period defined by the contract conditions as the period of the contractors warranty when the contractor is responsible for repairing defects. In standard building contracts this will be 12 months. The actual period will be defined within the conditions of the contract.

We will initiate a full inspection of the scheme at the end of the DLP to identify any defects and instruct appropriate repairs through the contractor, these are End of Year Defects. A sum of money known as retention will be retained by KHA until the end of the defects period and paid out once all defects have been rectified.

Customers will be notified of the date of the end of year inspection in advance to help ensure access is available. Should access not be given a non-access procedure will be followed to encourage access. Where no access is given customers will be notified that we are assuming no defects are present within their homes.

All defects must have been completed satisfactorily to allow issue of the Certificate of Making Good Defects and retention monies will be paid to the Contractor.

#### **6. Latent Defects**

Latent Defects are defects that are the responsibility of the Contractor such as poor workmanship or non adherence to the contract specification but which are not discovered until after the end of

the defects liability period. We will seek to work with our Contractors in a collaborative way if there is a potential latent defect that has been identified. If an agreed solution is not possible then we will take the professional advice of our Consultants or Legal Advisors on whether to pursue a Contractor to rectify latent defects.

## **7. Monitoring and Review**

This policy will be reviewed 5 years from the date of implementation or latest review, which will be the date the policy is approved by the Committee of Management/Board of Directors, or earlier if deemed appropriate. In the event that this policy is not reviewed within the above timescale, the latest approved policy will continue to apply.

In reviewing the policy, feedback from customers about their satisfaction with their homes and the quality of service received during the period of the contractor's defects liability period will be taken into account. We will also use the information collected in implementing this policy to inform its review of the appointment of approved contractors and consultants.

## **KINGDOM GROUP**

### **DEFECTS POLICY**

Policy drawn up with reference to:

Scots Law on Contracts (General); Partnering Contracts (based on PPC(S)2000) and Design & Build / Minor Works / Measured Term Contract & Guide for use in Scotland (November 2015, SBCC, JCT) / Right to Repair Housing Scotland Act 2001

Reference made to the following sources and other guidance:

Procurement Policy

Reactive Maintenance Policy

Sustainability Policy

Financial Regulations