

# ***Control of Variations in Traditional Contracts Policy***

*Approved 2024  
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## **Control of Variations in Traditional Contracts Policy**

### **1. Introduction**

- 1.1 This policy sets out Rosehill's approach to controlling variations within a traditional contract. This may relate to cyclical maintenance, planned maintenance or development type contracts.
- 1.2 In traditional contracts there is the possibility of costs increasing or decreasing during the course of the contract.
- 1.3 Therefore the main objectives of this Policy are to:
  - To ensure that the risk of potentially increasing costs, within contracts, are properly managed.
  - To ensure cost containment through effective project management.
  - To control the issue of Architect Instructions over a pre-agreed limit.

### **2. Legal and Regulatory Framework**

- 2.1 Whilst this Policy sets out to explain Rosehill's approach to controlling variations it must do so in the context of legal and regulatory requirements. All construction work must be completed in accordance with current Building Regulations, Health & Safety requirements, the Construction Design and Management Regulations and any other current relevant legislation.
- 2.2 The Scottish Social Housing Charter
  - 2.2.1 The Social Housing Charter came into effect in April 2012 and this sets the standards and outcomes that all social landlords should aim to achieve when performing their housing activities. The

Charter replaces the Performance Standards and the outcomes relevant to this Policy are:

1. Equalities

Social Landlords perform all aspects of their housing services so that every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.

2. Communication

Social landlords manage their businesses so that tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.

4. Quality of Housing

Social landlords manage their businesses so that tenants' homes, as a minimum, meet the Scottish Housing Quality Standard (SHQS) by April 2015 and continue to meet it thereafter, and when they are allocated, are always clean, tidy and in a good state of repair.

5. Repairs, maintenance and improvements

Social landlords manage their businesses so that tenants' homes are well maintained, with repairs and improvements carried out when required, and tenants are given reasonable choices about when work is done.

13. Value for Money

Social landlords manage all aspects of their businesses so that tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

2.2.2 Social landlords are responsible for meeting the standards and outcomes set out in the Charter. The Scottish Housing Regulator is responsible for monitoring, assessing and reporting on how well social landlords, individually and collectively, achieve the outcomes.

2.2.3 In line with the regulatory principles, the Regulator's approach to monitoring landlords' achievement of the outcomes and standards in the Charter will be based on each landlord's performance information and their own assessment of their performance.

Therefore, for each year ending on 30th September, we will be expected to:

- Measure and assess our performance in progressing towards or achieving the Charter outcomes and standards
- Provide the Regulator with some key performance information on our achievement of the outcomes and standards
- Report our performance to tenants and other service users who use our services.

## 2.3 Organisational Values

### ***Our Vision:***

"We will provide excellent quality affordable and efficient homes in neighbourhoods that are well managed and maintained; we will contribute to sustaining communities where people feel safe and want to live by providing housing and other services and working with our voluntary and statutory partners."

### ***Our Values:***

Our Core Values are:

We Will

- Invest and Support

We will be

- Engaged and Responsive
- Accountable and Compliant
- Fair and Approachable
- Efficient and Responsible
- Excellent and Committed

### **3. Cost Reporting**

- 3.1 The primary method of cost control is through the monitoring of the cost reports prepared each month by the quantity surveyor. These reports will indicate any deviation from the projected project costs.
- 3.2 Cost increases will generally be the result of an Architect's Instruction (AI) to introduce a variation into the contract.

### **4. Cost Control**

- 4.1 Rosehill can introduce cost controls by instructing that all AIs, which have a cost implication, must be costed by the quantity surveyor, and approved by the Rosehill, in advance of implementation. In order to avoid unnecessary delays to the contract, which have a cost implication in themselves, it is usual to set a cost limit e.g. only AIs with an additional cost of more than £1,500 need to be referred to the client. Agreement, if given would require to be formally recorded.

Exemption: This would not apply in an emergency or in any situation where it was a matter of health and safety.

- 4.2 The exact amount would fall to be determined separately for each contract: it should not be so small that it becomes a hindrance to the normal progress of the contract, nor so large that it is effectively no control at all.
- 4.3 Each variation would be recorded in the monthly Cost Report.
- 4.4 Where necessary additional Project Team meetings may be called to ensure that costs are contained within acceptable limits.
- 4.5 Any anticipated AIs would also be recorded in the monthly Cost Report as an early flag to the potential variation to the contract.

## **5. Equal Opportunities**

5.1 We are committed to ensuring equal opportunities and fair treatment for all people in its work. In implementing this Policy, we will provide a fair and equal service to all people, irrespective of factors such as gender, race, disability, age, sexual orientation, language or social origin, or other personal attributes.

## **6. Performance Management**

6.1 We also undertake the following monitoring measures to ensure that variations are controlled within traditional contracts:

- Ensure that the procedures that are in place are being followed;
- Ensure that procedures when followed are efficient and accountable and that they provide an effective solution.

## **7. Tenant Participation**

7.1 We are a tenant focussed organisation and as such we are committed to involving tenants in all aspects of our work and ensuring that tenants are included, informed and consulted about decisions that have an impact on the way their homes are managed.

7.2 As part of this commitment we will involve our tenants in the development of our policies and seek feedback where appropriate. We will ensure that any significant changes to this Policy and other Policies which will affect our tenants will be the subject of consultation.

## **8. Risk Management**

8.1 In all the key areas of our business we need to consider any risks which may arise. To this end we have in place a robust Risk Management Policy and from this flows our Risk Register. We have identified our strategic risks which are regularly monitored by our Management Team and Audit and Risk Sub-Committee.

8.2 Key to the mitigation of the risks associated with controlling variations in traditional contracts is having a comprehensive policy in place to manage the variations. This policy sets out Rosehill's approach to controlling variations in traditional contracts.

- 8.3 To ensure we continue to manage the associated risks we will periodically review this Policy to ensure compliance with all legislative requirements and regulatory and best practice guidance.

## **9. Complaints Procedure**

- 9.1 We aim to get things right first time and provide a good quality service to our tenants and other customers. However, we acknowledge that things can go wrong and that some tenants or other customers may be unhappy with the service provided.
- 9.2 We promote our Complaints procedure through our website and periodic articles in our newsletters. In addition, we initially issued all of our tenants with a copy of the new Procedure introduced in October 2012. This information leaflet is also issued to all new tenants as part of the signing up pack.
- 9.3 We are required to report specifically to both our Management Committee and the Scottish Housing Regulator on any complaints concerning equalities issues.

## **10. Data Protection**

- 4.1 10.1 On the 25<sup>th</sup> May 2018 the legislation governing data protection changed with the introduction of the General Data Protection Regulation (GDPR). Following the UK's exit from the EU, and the end of the transition period which followed, the GDPR formed part of the retained EU law and became the UK GDPR which together with the Data Protection Act 2018 constitute the UK's data protection legislation.

## **11. Policy Review**

- 11.1 This Policy will be reviewed at least every five years or sooner to ensure it continues to reflect current thinking and practice and to comply with legislative requirements and regulatory guidance.

## **Appendix 1**

### Procedure for the Control of Variations in Traditional Contracts

1. Before the contract starts on site it will be agreed with the contractor and consultants that any AI which has the effect of increasing costs above an agreed amount will have to be referred to Rosehill for its written agreement.
2. While agreement will not be unreasonably withheld, every increase will require to be justified in terms of the value it will deliver to the project.
3. The quantity surveyor will be required to produce detailed cost reports on a monthly basis, which will show the effect of any variations, actual or proposed, and monitor the contract cash flow.
4. The quantity surveyor will also be required to comment on any other matters, which, in his/her professional opinion may affect the contract cost.
5. Where necessary additional Project team meetings will be convened by Rosehill to determine where compensatory savings can be made in order to contain the project costs within acceptable parameters.
6. Where projects have been funded/ part funded by Glasgow City Council and additional costs are the result of events that are genuinely unforeseeable, a submission will be made for additional funding.
7. Significant cost variations will be reported to Committee.



## Appendix 2

### Rosehill Housing Co-operative Equality Impact Assessment

Name of policy to be assessed	Control of Variations in Traditional Contracts	Is this a new policy or a review	Review
Person completing the assessment	Sandra Hunter Technical Services Manager	Date of Assessment	24.06.24

1. Briefly describe the aims, objectives and purpose of the policy	To ensure that the risk of potentially increasing costs within traditional contracts are properly managed.
2. Who is intended to benefit from the policy? (eg staff, applicants, tenants, staff, contractors)	Rosehill's financial welfare
3. What outcomes are wanted from this policy? (e.g. benefits to customers)	Control of variations in traditional contracts

<p>4. Which protected characteristics could be affected by the policy (tick all that apply)</p> <p>Minority Ethnic :  Age:  Gender:  Religion/belief:  Disability:  Transgender:  Sexual Orientation:  Maternity/Pregnancy:  Marriage/civil partnership:</p>
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5. If the policy is not relevant to any of the protected characteristics listed in part 4. State why and end the process here.

Policy relates to organisational procedures/processes and is not a service policy

<p>6. Describe the likely positive or negative impacts the policy could have on the groups identified in part 4</p>	<p>Positive Impacts</p>	<p>Negative Impacts</p>

<p>7. What actions are required to address the impacts arising from this assessment?</p>	
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Signed: Sandra Hunter

Date: 24.06.24