

PWC – Programme Contingency: Updated CIF Guidance Note

Sept 2025



Section 1 – Introduction and Background

In recent months, the CIF has become aware of issues arising again in relation to the use of the programme contingency periods by Employers Representatives (ER). Therefore, this information note has been updated from a previous guidance note issued in September 2022 to again outline the application and utilisation of the programme contingency and the principles underpinning it. Members are recommended to refer to the GCCC guidance note [GN 3.1](#) from page 82 for more detail.

1. Purpose of the Programme Contingency

- A. The idea behind the programme contingency period is that the contractor builds it into its programme and contract sum, both time and money to cover a specified number of programme contingency days.
- B. According to GN 3.1, the programme contingency applies across the entire period from the Starting Date to the Date for Substantial Completion of the entire project regardless of whether there is sectional completion. It is a time 'float' which the Employer buys from the Contractor under the contract.
- C. The programme contingency is only drawn down for delays that are associated with Compensation Events and must be exhausted before the Contractor is entitled to any Delay Cost. If an event is a Delay Event only (as defined in the Schedule, part 1K) then the Contractor is only entitled to an extension of time. The contractor is presumed to have allowed for this in his contract sum and programme to cover the specified number of days.

2. Operation of the Programme Contingency

- A. When preparing the programme, the Contractor must associate the time float with activities that are deemed to carry risk. Therefore, depending on the nature of the project, the Contractor's programme may identify the time float as being used up before the sectional completion, if a risk arises that results in a Compensation Event.
- B. The Date for Substantial Completion is fixed and can only be changed if an extension of time is granted by the ER after the awarding of the Contract. The Contract provides for the use of the programme contingency by the Employer (not the Contractor) up to the Date of Substantial Completion.

- C. The Programme Contingency period is broken down into what are known as two Thresholds, T1 and T2. A specified number of days is included in each threshold, which are then added together for the total programme contingency period. Please refer to GN 3.1 for examples of the calculations related to the application of T1 and T2.
- D. The contractor must ensure to notify the ER of delay days arising from compensation events as they arise, as no entitlement to compensation arises until the entire first threshold (T1) has been “drawn down” i.e. used up.
- E. Once the contractor has used all the days in T1, they are then entitled to half of its normal entitlement for time & money for the period of T2. Only when all the days in both T1 and T2 have been drawn down does the Contractor become entitled to full compensation for time & money. It is recommended to refer to GN 3.1 for sample calculations.
- F. If there are programme contingency days remaining after the date for substantial completion, these can still be drawn down for compensation events.

3. Non-compensation Event Delays

- A. Delays arising, which are not compensation events under Schedule Part 1K do not use up any of the programme contingency period and give rise to an extension of time.

4. Date for Substantial Completion

- A. The date for substantial completion referenced in the contract at sub-clause 9.4.1 includes the programme contingency periods in the programme.
- B. The ER is required by default to issue a certificate of Substantial Completion if the contractor finishes early – however this can be changed in the Schedule Part 1H.

IMPORTANT NOTE: Please note that this guidance note should not be considered definitive legal or contractual advice and we recommend you consider consulting with your legal and contractual advisers for specific advice on the matter.