

## EXPLANATORY NOTE

*(This note is not part of the Order)*

Part II of the Housing Grants, Construction and Regeneration Act 1996 makes provision in relation to the terms of construction contracts. Section 106 confers power on the Secretary of State to exclude descriptions of contracts from the operation of Part II. This Order excludes contracts of four descriptions.

Article 3 excludes agreements made under specified statutory provisions dealing with highway works, planning obligations, sewage works and externally financed NHS Trust agreements. Article 4 excludes agreements entered into by specified public bodies under the private finance initiative (or a project applying similar principles). Article 5 excludes agreements which primarily relate to the financing of works. Article 6 excludes development agreements, which contain provision for the disposal of an interest in land.