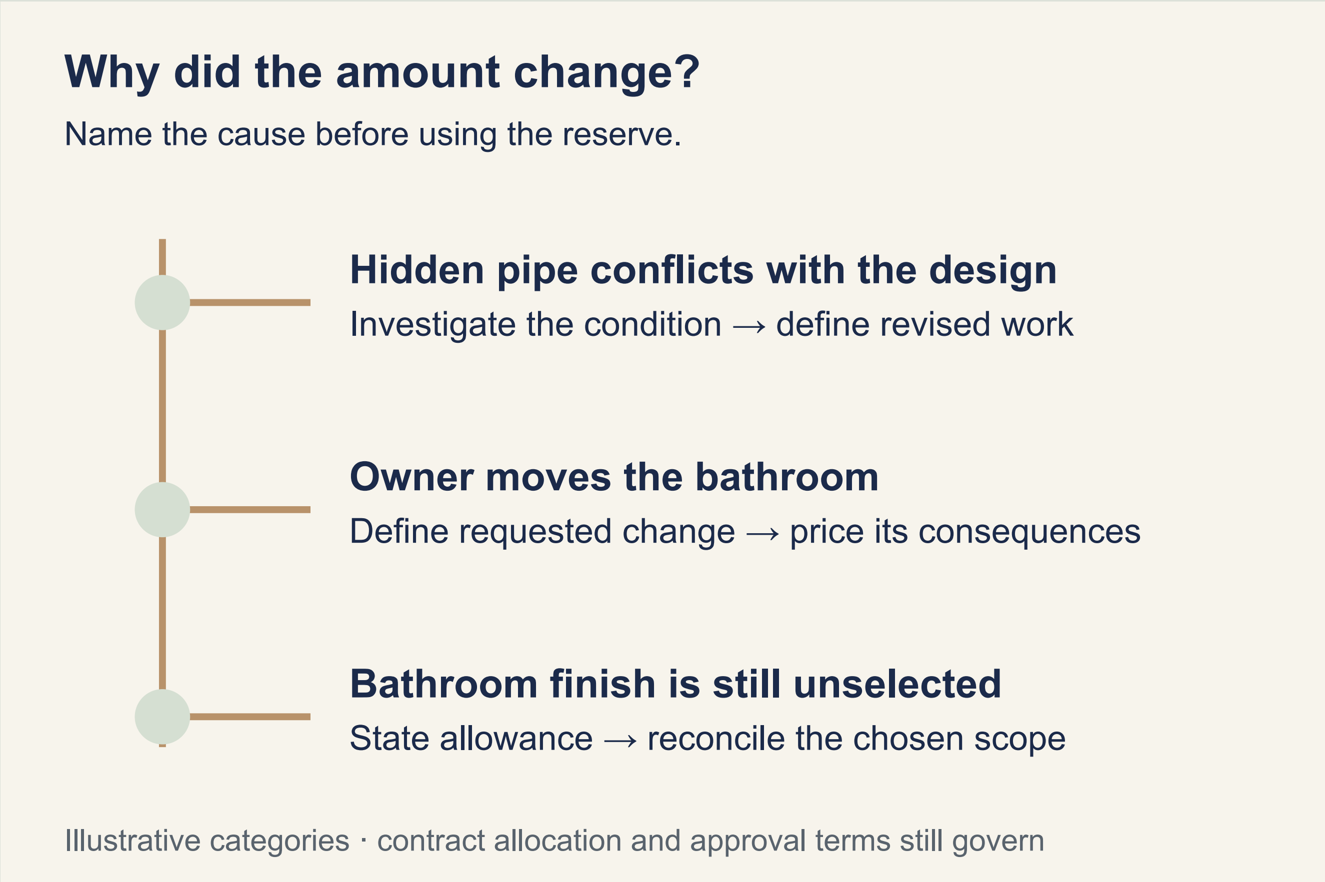
A&A contingency: what should your reserve cover?

By DirectHome Editorial Updated 14 September 2026 6 min read Explore our a&a works service ↗

An A&A contingency gives you a reserve for additional work that may emerge as the existing house is investigated or opened up. Keep that reserve separate from the allowance for a finish you have not yet selected, or an upgrade you request later. Otherwise, a single rising total can hide what changed and how much money remains for the unresolved condition of the house.

This matters when comparing A&A proposals for a landed home. One quotation may include investigation and known remedial work, while another leaves both outside its total. Adding the same percentage to each does not make them comparable. Start with what is known, what is assumed and what remains undecided.

Separate hidden problems, undecided fittings and changes you request



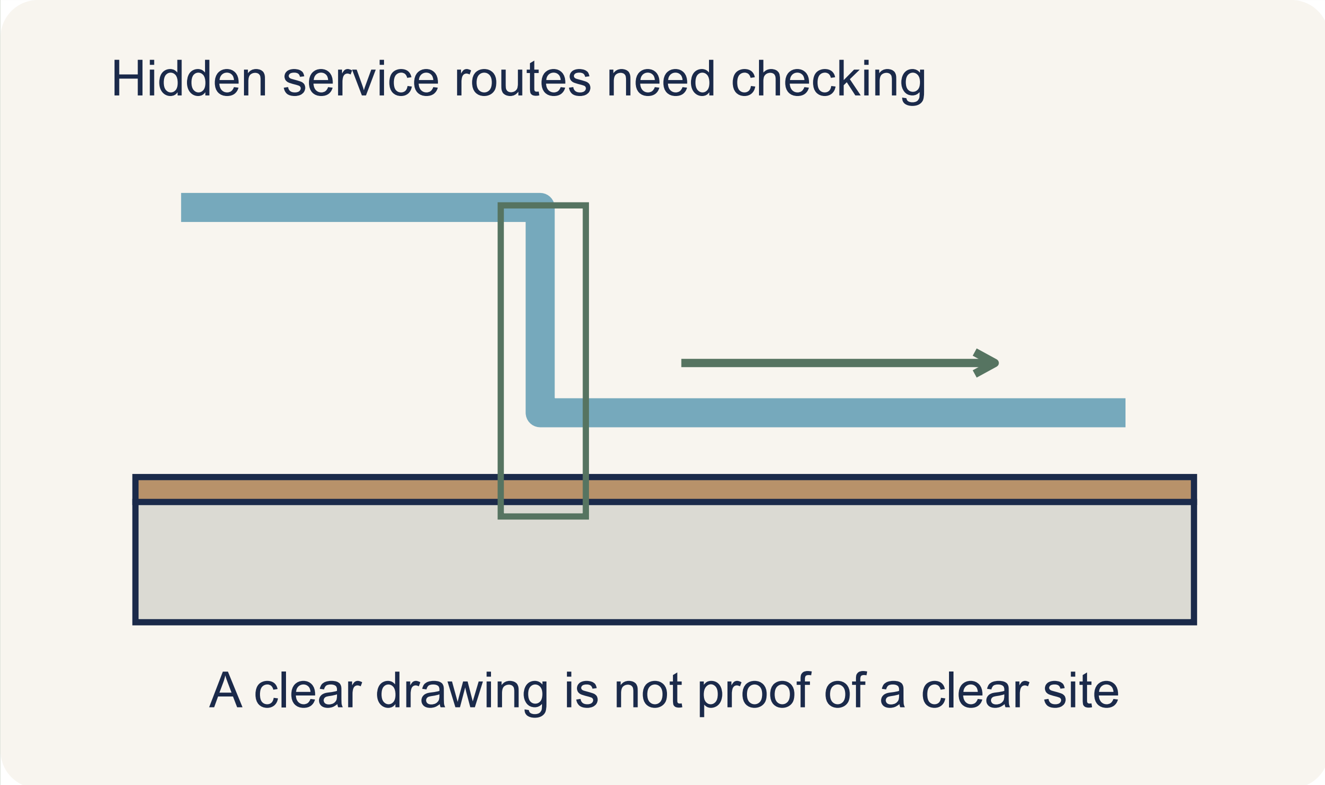
Three illustrative reasons for a changed amount. The agreed contract determines allocation and approval; the diagram does not decide liability.

A concealed pipe discovered in the path of a new opening is an existing-condition issue. Moving the opening because the owner changes the room layout is a design-change issue. Selecting the finish for an opening already in the agreed scope is an allowance or selection issue. They can happen in the same part of the house while calling for different budget treatment.

The distinction helps the conversation stay concrete. A genuine unknown needs findings and a proposed response. A requested change needs its additions, omissions and knock-on effects priced. A selection needs reconciliation against the scope and allowance already carried. Calling every difference “contingency” makes it harder to see what the household is choosing and what the building has revealed.

The original contract still matters. An item’s being unexpected by the homeowner does not automatically make it an extra, and a contractor describing something as a variation does not settle who bears it. Establish the agreed inclusions, assumptions and risk allocation before drawing a conclusion about the charge.

Investigate the parts of the house that could change the price



Have concealed service routes checked before the design relies on them being clear.

Some uncertainty can be reduced before tender. Existing drawings, measured surveys and targeted professional investigations can reveal whether a proposed structural opening, extension or service route is plausible. The useful investigation is tied to a decision: what result would change the design, construction method or price?

Services plans are a starting point, with limits. The qualified person needs the relevant services information and site verification, because some existing connections or common-drain details may not appear on the plans. A route with no pipe marked on the plan is not proven clear.

Other conditions may remain concealed until work progresses. Describe them specifically, including what is assumed for pricing and when the assumption can be checked. “Existing structure excluded” is too broad to help an owner understand the likely consequence. A useful scope explains which retained part is assessed, which part remains inaccessible and how a finding will be handled.

Do not ask the household to investigate concealed building elements itself. Opening finishes, excavating or exposing services needs an agreed professional scope, suitable access and the relevant precautions. The owner’s role is to decide whether the proposed investigation is worth doing before committing to the design it tests.

Budget separately for fittings you have not chosen

Contract wording determines how each amount is treated and when payment becomes due.

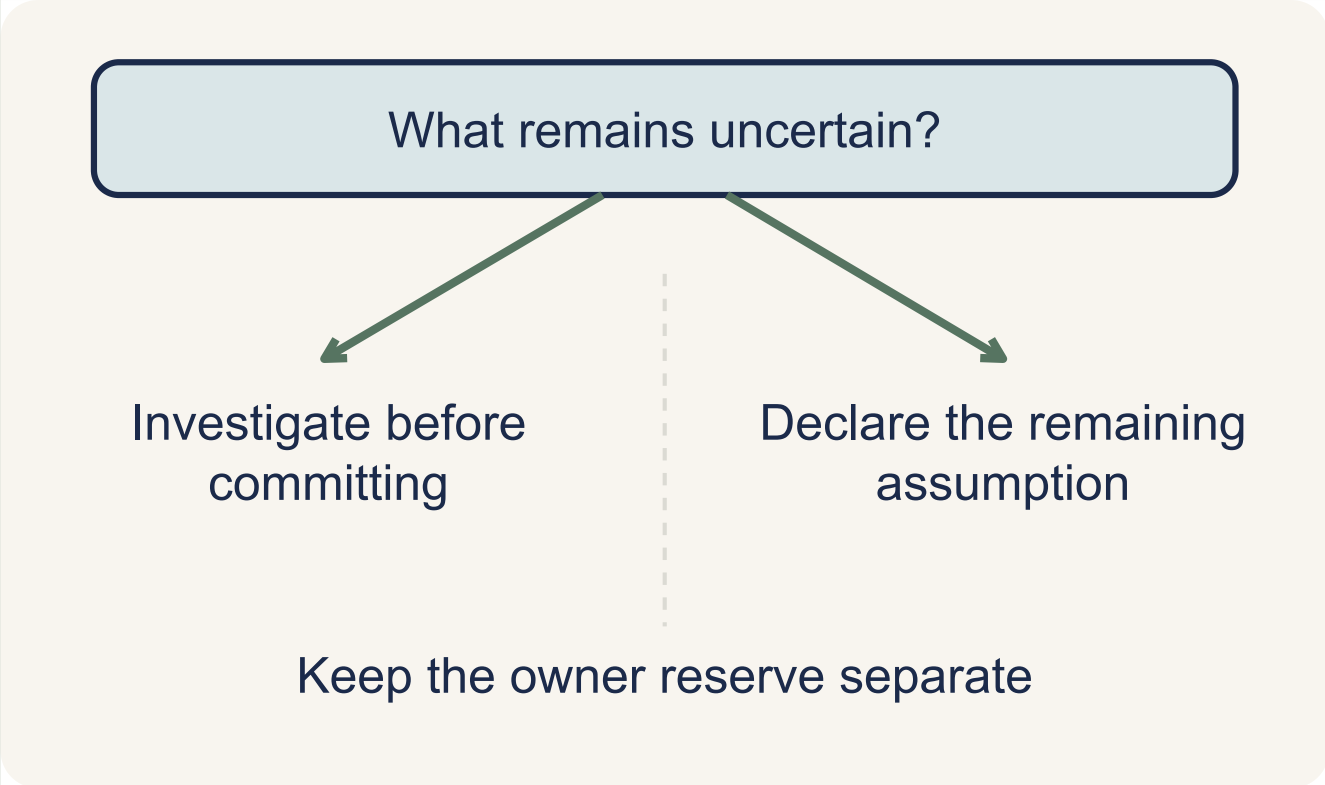
Budget line	What it represents	What resolves it
Agreed base scope	Defined work under the quotation or contract	The identified drawings, specification and inclusions
Declared allowance	A known item whose final selection or quantity remains open	A selection or measured scope reconciled under agreed terms
Condition reserve	Money the owner holds for identified uncertainties	Investigation or findings leading to an agreed response
Owner change	A requested departure from the agreed design or work	A priced change with its effects and approval recorded

If the renovation includes new bathroom fittings but the models are undecided, the need is known. The price may remain provisional, but it should be attached to a clear allowance rather than hidden inside a general reserve. Define whether the allowance covers supply, delivery, installation and any required accessories.

A supply-only allowance can be sensible if it is labelled and the related installation work is priced elsewhere. The problem is an allowance whose apparent coverage changes during selection. Compare the chosen item with the original inclusion and account for any difference once, including an omitted item or credit where the agreed process provides for it.

Keep selection deadlines beside the allowances. A late decision can affect more than the product price if it changes dimensions, service positions or the construction sequence. An early choice with complete technical information may reduce those knock-on effects, even when the selected finish itself costs more.

Build the reserve from the remaining risks



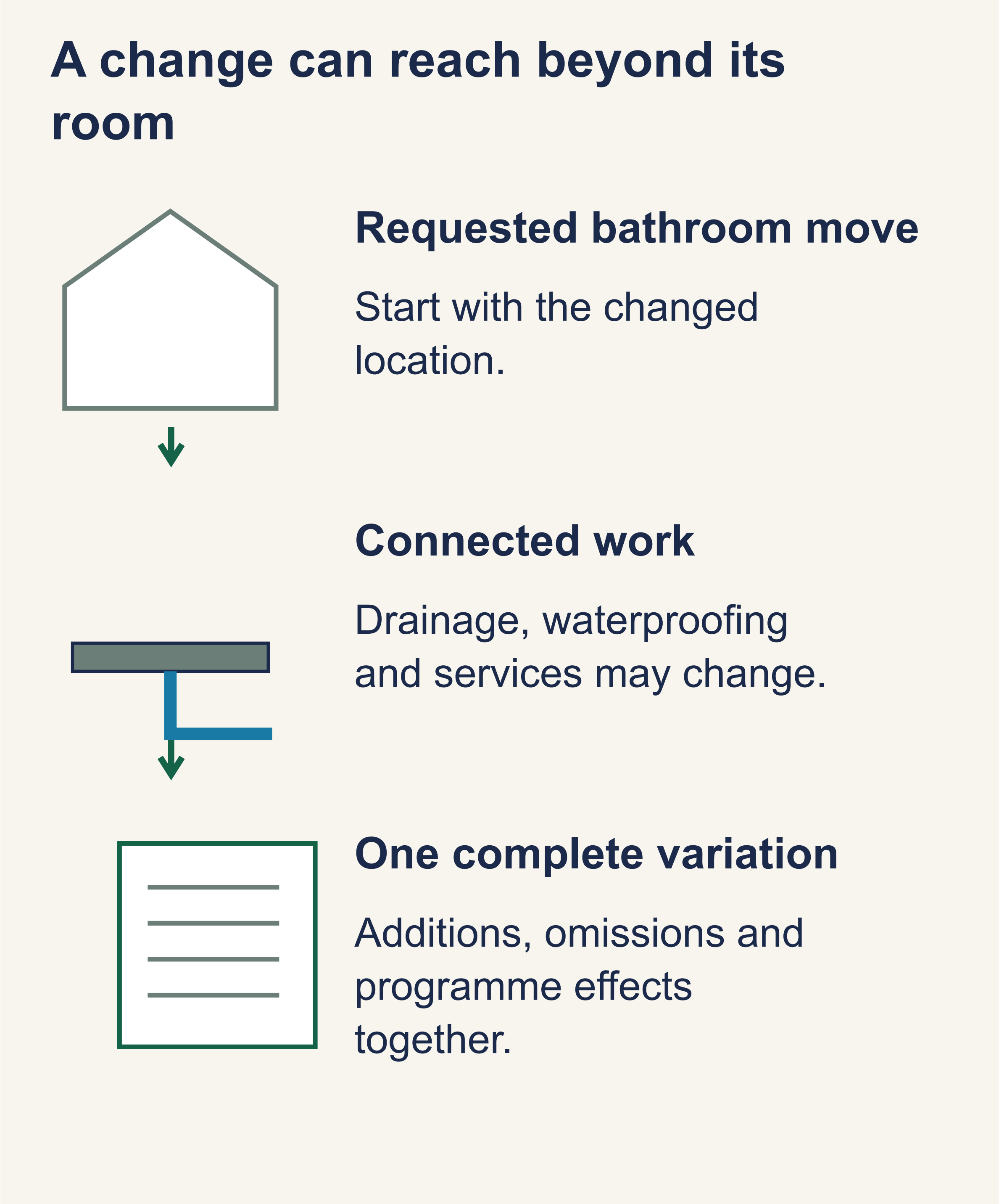
Separate what can be investigated from assumptions that still need an explicit allowance.

A blanket contingency percentage can hide very different exposures. A project with accessible records, agreed details and limited retained interfaces has a different uncertainty profile from one depending on unverified foundations and major concealed service changes. Without scope-matched evidence, there is no defensible universal percentage for either house.

List the remaining conditions in plain language. For each, identify the affected part of the work, the pricing assumption, the investigation or event that will resolve it and the consequence if that assumption is wrong. The team can then advise what needs further investigation, a priced alternative or a declared allowance.

Hold the owner's reserve separately from the contract total unless the contract expressly includes a corresponding sum. Money set aside in a household account is not automatically money the contractor is entitled to spend. Equally, a reserve is not a prediction that all the listed problems will happen. It gives the household a way to make decisions when genuine uncertainty resolves.

Review the whole effect of a change



Requested bathroom move: Start with the changed location. Connected work: Drainage, waterproofing and services may change. One complete variation: Additions, omissions and programme effects together. Schematic only; no dimensions or site-specific approval are implied.

A proposed change should explain the finding or request, the revised work and the parts of the original scope it replaces. It should also identify the programme effect and any impact on adjacent completed work. A new bathroom location, for example, can affect drainage, electrical work, waterproofing and finishes outside the room itself.

Agree itemised prices and express approval for variations before work starts, including who can authorise a change and how urgent discoveries are communicated. The process should be usable when a decision is time-sensitive, without treating silence as approval.

When a condition is discovered, avoid choosing a remedy from a photograph alone. The responsible professional or trade should explain the finding, viable responses and remaining uncertainty. Then the owner can assess the price in the context of what the remedy achieves, rather than being asked to approve an unexplained extra to keep work moving.

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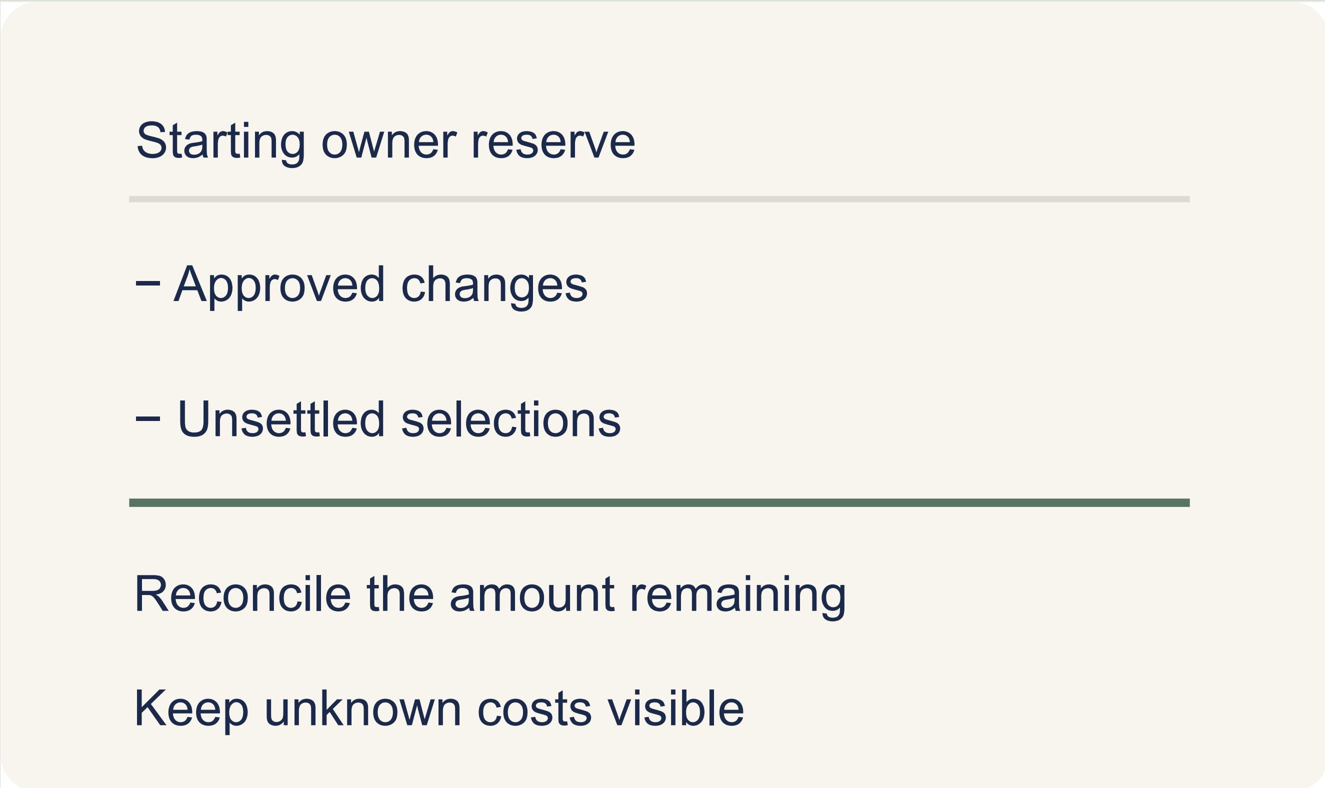
Check how much reserve remains after each change



Reconcile approved changes and unsettled selections before judging the reserve left.

As work progresses, keep approved extras, fittings still to be chosen and the money left in your reserve in separate columns. If a bathroom allowance has not yet been reconciled with the selected fittings, that cost is still waiting to be settled. Counting only the extras already approved can make the remaining budget look larger than it is.

The A&A buying guide places budgeting alongside feasibility, design and construction. Bring the current plans and quotations, and identify any building conditions or product choices that are still unknown. DirectHome can discuss which parts need investigation or a clearer price before you decide how much money to keep aside.

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