

DEALING WITH CONTRACTOR INSOLVENCY

Has one of your projects been hit with contractor insolvency?
Quick and effective action is essential, making all the
difference in terms of what options are available.

A Toolkit for Development Managers

Get your project back on track using
our practical, easy to follow toolkit –
created by development managers
for development managers



WHEN INSOLVENCY STRIKES YOU, AS THE CLIENT, NEED TO ACT IMMEDIATELY

Contractor insolvency can cause major problems for developers of affordable housing, often generating significant delays and costs while procuring a new construction partner.

Askival are experienced development managers with a track record of delivering housing for Local Authorities and Housing Associations. We understand the challenges of being faced with an incomplete scheme and no builder.

As well as the time consuming and sometimes costly process of finding a replacement contractor, **insolvent companies** can initiate **adjudication proceedings** to secure money owed to them and administrators will examine both the contract and the actions of the client to identify any claims for loss and damages.

We have generated a robust action plan with specific practical steps to help you decide what to do next. We will support your development team through each stage, offering guidance including how to manage internal governance issues, what documents are needed for the project team, and how to populate an initial options appraisal.

Early actions include notifying your solicitors, your insurers and your funders as well as addressing contractual compliance including processes for termination and making the site secure.

The **Askival Contractor Insolvency Toolkit** includes:

- + A list of key documents to file at the outset
- + Identification of key team members and how to brief them
- + Actions to take immediately on confirmation of a contractor's insolvency
- + Questions to inform an options appraisal
- + Details of what you need to know and where to go for specialist help and advice



Next you will want to review **your options:**

- ① Do nothing – mothball the site and wait for better times
- ② Sell the site in its current condition
- ③ Clear the site and sell it as 'bare land'
- ④ Tender for a replacement main contractor to take over the scheme
- ⑤ Appoint a construction management company to project manage the job to completion
- ⑥ Clear the site and retender the whole job from scratch

How Askival can help

We mobilise quickly to secure your position and protect your interests by implementing our step-by-step insolvency action plan.

We will ensure compliance with contractual requirements and compile an initial report for your team including a summary of our recommendations.

We will advise on instructing and communicating with your legal team and funders.

Our experts can work with you to review your choices using a carefully considered methodology, supporting the creation of a report for your Board with our advice for next actions.

Be prepared

Worried about what might happen to your projects in the event of contractor insolvency?

You can minimise the cost and delay resulting from contractor insolvency by ensuring your processes are robust and that you know exactly what to do should the worst happen.

By appointing Askival, you can get ahead of the game by preparing an effective action plan.

We will report on your contracts and internal procedures to ensure you are well-placed to respond quickly.

Our skills and experience could save you time and money at a very difficult stage of a build programme.

Find out more

Our comprehensive toolkit details the steps we take to protect a client's position when faced with or seeking to avoid contractor insolvency.

To arrange a discussion about how our toolkit can add value to your processes and outcomes please email us at contracts@askival.org