SPIRE VIEW HOUSING ASSOCIATION
CONTRACTOR LIQUIDATION POLICY

POLICY AND PROCEDURE

The Association will carry out appropriate pre-tender financial checks in order to minimize the risk of Contractor Liquidation whilst being employed as a main Contractor on a development project.

In the event of a Contractor becoming insolvent, The Association will act promptly to secure the project and minimise costs.

1   ACTION TO BE TAKEN

1.1   The Association will take and act upon Consultant's and Legal Representative's advice to secure the works, employing security as required.

1.2   Action to asses work to date and a further new contractor appointment to carry on work, will be taken as quickly as possible ensuring all legal requirements are met.

1.3   Design Team Meetings will be held as appropriate in order to progress items.

1.4   The Association's Management Committee will be updated regularly and will require to provide approvals as appropriate at key stages. Information will be provided to tenants on a regular basis.

1.5   Glasgow City Council and any other appropriate funders will be informed of the event as soon as possible and where grant has been drawn down but not yet disbursed, advice/assistance will be sought on the appropriate way to proceed.

2.   FUNDING

2.1   Where overall development costs increase as a result of Contractor's insolvency, additional works costs and fees will be assessed and discussions with relevant funders will be progressed in relation to funding levels in place.

2.3   Indirect losses (lost rental income, unrecovered L&A damages, association additional administration costs) are not eligible for grant funding. Legal advice will be taken to ascertain whether these costs can be recovered by other means.

2.4   Free reserves or additional alternative funding may be required to be used to fund any additional development costs which are ineligible for grant.

The Association policy and procedure should be read and applied in conjunction with allother relevant policies and procedures relating to the development process.