



## **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 assess 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 all other relevant policies and procedures relating to the development process.**