

Your Free Report From StreetwiseSubbie.com



How To Get Paid

plus

7 Key Reasons Sub-Contractors Don't Get Paid On Time!

Maintaining Cash Flow Is Vital for Your Survival!

DISCLAIMER OF LIABILITY FOR CONTENT

This Free Report is intended to provide general information only and is not to be treated or relied upon as specific legal or commercial advice. Specific professional legal advice should be taken before any course of action is pursued in relation to the information contained in the report. We make no representations or warranties of any kind with respect to the accuracy, completeness, or suitability for any purpose of the report and the information contained in it. We expressly exclude all liability for any loss or damage howsoever arising from the information contained in this report to the fullest extent permitted by law. The copyright in the above article is owned by StreetwiseSubbie.com Ltd. Any copying or adaptation of this report without prior consent of the copyright owner is prohibited.

Streetwisesubbie.com Ltd Shanakiel 17 Ilkeston road Heanor Derbyshire DE75 7DR

Call: 01773 712116 email: info@streetwisesubbie.com [Click Here To See Examples Of How We can Help](#)

How To Get Paid

Introduction

Getting paid is a constant problem. Some unscrupulous Clients and Contractors will use every trick in the book, to reduce and delay payments.

All too often, Specialist Contractor's efforts to avoid or rectify this situation are implemented too late in the process (e.g. only when your accounts show that the payment is overdue and/or significantly reduced).

Start As You Mean To Go On

If you want to get paid in full and on time, then the best place to start is at the enquiry stage! Yes right back there, so you know whether or not the enquiry refers to terms and conditions and are the terms on offer acceptable?

If not then along with everything else you might want to check, payment terms should be clear from the outset and should be tracked all the way through the process and into the contract.

Will The Client Or Contractor Have The Money To Pay?

At the enquiry and tender stage you should identify exactly who you will be working for and whether or not they are a good financial risk. Size is not the issue here. Big does not necessarily mean beautiful...

Remember the five W's

- Who exactly will you be working for?
- What is their credit rating?
- Where are their latest accounts, and what do they tell you about their financial standing?
- Why did they ask you to tender, and what do you really know about them?
- When will you get paid according to the payment terms?

Check Them Out!

If a company you have never worked for before sends you an enquiry, you have to ask yourself why?

Don't be flattered - be cautious! Come and ask about them in our LinkedIn Group, or simply give us a call to see what we know about them.

If you aren't sure about it, then this is the time to politely decline.

Winning a big job is all well and good, but not getting paid properly can have a massive impact on your company and may even destroy it!

Streetwisesubbie.com Ltd Shanakiel 17 Ilkeston road Heanor Derbyshire DE75 7DR

Call: 01773 712116 email: info@streetwisesubbie.com [Click Here To See Examples Of How We can Help](#)

Check The Terms

Onerous payment terms to be wary of include;

- Extended payment periods.
- Attempts to make it pay when certified under the main contract (despite the Act we still see it).
- Unclear payment procedures.
- Conditions precedent (i.e. no payment unless certain pre-conditions fully complied with)
- No payment until all sub-contract documents, warranties, bonds etc. executed and returned.
- No payment in event of the end client's insolvency.
- Excessive retention percentages or payment periods

Letters of Intent

Most letters of intent are virtually worthless, a recipe for financial suicide. Before you accept a letter of intent please give us a call or email us for a free heads up on what to look out for. As a minimum it must include the following;

- It must be from the party you are contracting with (not a Consultant with no obligation to pay!)
- Agreed sub-contract tender sum and work scope.
- Programme period and start date.
- Reference to the agreed terms and conditions particularly payment
- Definite instruction to start defined work on a specific date.
- Clear agreement to payment if a formal sub-contract agreement is not achieved.

Beware of any financial limit placed on the amount that will be paid and don't go beyond it!

Check The Contract Not Just The Order

It's understandable that Specialist Contractors tend to react gleefully on receipt of an order for which you have worked so hard.

But, to ensure you are going to get paid you must treat the "Order" as part of the process of agreeing the contract.

Let me say that again. Getting into a contract is a process, not an event. Before you celebrate, it is vital to check the contractual arrangements in their entirety, and in detail against the submitted tender.

- Check the value, including any discount and retentions.
- Check the scope of the works is what you have agreed and nothing has been added.
- Check the programme dates and period.
- Check the agreed terms and conditions are properly incorporated.
- Check the payment terms, dates and durations.
- Check that any qualifications/clarifications you have made are properly incorporated.
- Check for counter offers and/or new and onerous terms introduced into the contract.
- Make sure you don't accept by conduct (i.e. acceptance by starting work including design).

One of the many things our Gold Buddies use their free consultancy time towards is vetting the contracts that they are asked to enter into. Because fore-warned is fore-armed, and a great many risks and problems can be minimised or avoided by doing so. Take a quick look at: <https://www.streetwisesubbiegold.co.uk/>

Streetwisesubbie.com Ltd Shanakiel 17 Ilkeston road Heanor Derbyshire DE75 7DR

Call: 01773 712116 email: info@streetwisesubbie.com [Click Here To See Examples Of How We can Help](#)

Getting Paid Once You Start The Works

Once you are satisfied that the contract is sorted and you are going to start work, you should take urgent steps to ascertain the exact procedures involved in the payment process.

- Find out who is responsible for dealing with your interim application.
- Make contact with the appointed person and discuss the process in more detail. (He, or she may be the most obnoxious person to deal with, but they are now your new best friend!)
- Ascertain the level of detail and substantiation required for the application.
- Be certain about the dates by which applications must be submitted.
- Ensure the applications are submitted by the required dates.
- Provide full details and include sums in respect of any claims, variations, additional costs etc.
- Get it in their budget and get everything agreed if you can.

Monitoring and Pursuing Payments

The sad fact of life is that Contractors tend to push nice guys to the back of the queue. So you must set up a systematic procedure for monitoring and pursuing payment.

In today's world, this requires a lot more work than the traditional approach of waiting until the payment fails to arrive before taking action!

- Establish and monitor the dates by which the Contractor's notification should be received.
- Chase immediately if an expected notification fails to arrive on the appropriate date.
- Establish and monitor Final Dates for Payment (i.e. the last day by which payment should be made)
- Chase immediately if an expected payment fails to arrive on the appropriate date.
- Consider giving notice of suspension if payment of the notified sum is overdue. (But check the terms and conditions and preferably take advice – we are just a phone call away on 01773 7121126).
- Investigate and interrogate all reasons for under-payment. Escalate all cases of unacceptable late or reduced payment.
- Don't procrastinate – take action!

It's A Team Game!

Obtaining full and timely payment is far more than just a credit control function.

It's a team game that involves everyone from the enquiry stage, through to the contract and onto the site.

Getting paid properly is about having a disciplined set of procedures.

In short, cash flow is everybody's responsibility, not just the credit control clerk!

At StreetwiseSubbie we provide a whole range of "back office" services that will help you to get paid and you can use them in conjunction with or instead of the free consultancy that's included in the membership. You can access cost effective support at; <https://www.streetwisesubbiegold.co.uk/> or call us or email us for some free no obligation advice.

Streetwisesubbie.com Ltd Shanakiel 17 Ilkeston road Heanor Derbyshire DE75 7DR

Call: 01773 712116 email: info@streetwisesubbie.com [Click Here To See Examples Of How We can Help](#)

7 Key Reasons Specialist Contractors Don't Get Paid On Time!

For Specialist Contractors Maintaining Cash Flow Is Vital for Survival!

Cash flow has been described as 'the life blood of the construction industry'. Specialist Sub-Contractors suffering problems in obtaining payments under a sub contract can quickly be placed in an extremely precarious position.

In the current climate Specialist Sub-Contractors are finding it much more difficult to obtain credit or borrow money.

So maintaining cash flow is absolutely vital for your survival, and if you need our help and support remember we are there for you every step of the way.

Here are a few reasons why you might not be getting paid or are being underpaid.

1 You Didn't Check the Contract!

Make sure that every contract you enter into sets out the essential terms of the agreement including the scope, price and a programme for the works. Most important of all check that it is clear about the payment terms and that you and your team understand them!

You should always try to reach agreement on all terms, but especially those relating to payment, before work starts (that includes design or ordering materials) rather than later when problems have arisen. Don't expect the other party to be interested in discussing terms once you have started work and a payment problem has arisen!

I also see many situations where the Specialist Sub-Contractor sets out payment terms in his quotation only to end up accepting some other terms when the contract is formed. This often happens without the Specialist Sub-Contractor being aware that it has happened and then he is stuck with it.

It may seem an odd thing to check at the outset, when your relationship with the Contractor or Client is probably going well, but you need to check that the means of dispute resolution hasn't been drafted to make resolution difficult or prohibitively costly.

The obstacles that might be put in your way range from the downright unfair; whereby you can resolve your dispute by way of adjudication provided you pay all the costs of both parties, to the less deliberately onerous but equally barmy, arbitration in accordance with the International Chamber of Commerce International Court of Arbitration Rules!

It may sound obvious, but you need to make sure that you have a copy of the contract that you have agreed or signed. If you do not know for sure what you have agreed to, how do you begin to resolve the fact that you have not been paid?

Unless you are particularly interested in the law, or have had appropriate training, contract terms and conditions can be a minefield. Why not let us take all the stress away and ensure you aren't going to fall foul of onerous terms. Come and see how easy it is to have it all taken care of for you at:

<https://www.streetwisesubbiegold.co.uk/> or call or email us today.

Streetwisesubbie.com Ltd Shanakiel 17 Ilkeston road Heanor Derbyshire DE75 7DR

Call: 01773 712116 email: info@streetwisesubbie.com [Click Here To See Examples Of How We can Help](#)

2 You Didn't Get Your Applications for Payment In On Time!

Whatever the payment terms of your contract, it is vital that you get your applications in on time. The easiest reason/excuse anyone can make for not dealing with your application or invoice is that it was not submitted in time!

Preparing proper applications for construction and engineering contracts can be a time consuming process. Do not underestimate the time it takes to do the job properly.

If it is your responsibility to submit applications make sure you have sufficient time and /or resources to get your applications in on time. If you are in charge of whoever it is that prepares and submits applications make sure you support them with adequate resources to do the job properly and on time.

Find out more about the cost effective support available at: <https://www.streetwisesubbiegold.co.uk/>

3 Your Applications For Payment Have Not Been Properly Presented!

You can bet your mortgage on the fact that if you are working for a Main Contractor, their Quantity Surveyor will want to pay you less than you apply for. Whether this is company policy, secret training that only Contractors' surveyors receive, human nature or plain stupidity, is neither here nor there. It is a fact!

Even if he or she pays you close to what you ask for during the progress of the work, they will almost certainly undervalue your payments towards the end of your work. This is particularly the case where variations have occurred and you are now applying for more than the original contract sum.

For the moment, it does not matter why they are paying you less. What we are talking about here is how to try and stop them doing it!

Firstly, your applications need to be very well detailed. This needn't be such a chore once you get organised. Use the Tender Summary or the Bill of Quantities as a basis for your applications. Make sure that they are well presented and set out clearly so that they are easy to follow. Do not use shortcuts or add items together for convenience, and don't assume that anyone else is as familiar as you are with your works and your claim.

Attention to detail at this stage can have enormous benefits, so if you need cost effective professional advice simply give us a call on 017713715062 or email info@streetwisesubbie.com.

If necessary, break larger sections of works down into smaller components, even if they aren't broken down that way on the tender summary. For instance, let's say you had a tender summary item and claimed as follows:

	Value	% Complete	Claim
Fire Alarm Installation to First Floor	£25,000.00	85%	£21,250.00

Without any further detail, it is not easy to determine whether this item is actually 85% complete or any other % complete for that matter.

Don't forget we are talking about the percentage complete from a financial point of view, not necessarily a physical point of view. The Main Contractor's QS wouldn't know an expensive Local Zone Panel from an empty steel box! Or at least he will say he doesn't!

Streetwisesubbie.com Ltd Shanakiel 17 Ilkeston road Heanor Derbyshire DE75 7DR

Call: 01773 712116 email: info@streetwisesubbie.com [Click Here To See Examples Of How We can Help](#)

You may therefore wish to break the item down into its component parts, as follows:

Fire Alarm Installation, First Floor	Value	% Complete	Claim
Local Zone Panel	£5,000.00	80%	£4,000.00
MICC Cabling	£8,000.00	100%	£8,000.00
MICC Terminations	£2,000.00	100%	£2,000.00
Traywork	£4,000.00	100%	£4,000.00
Break Glass Points	£1,000.00	75%	£750.00
Smoke Detection	£5,000.00	50%	£2,500.00
			£21,250.00

The first difference to note between these two different ways of presenting broadly the same facts, is the number of items that the Contractor's surveyor has to consider. If he or she wants to disagree with our simple 85% version, he/she can simply and arbitrarily say "I think it's only about 70% complete" and suddenly we are £3,750.00 worse off.

In the second presentation, he/she has to work a lot harder to find something to disagree with!

You should include all entitlements under the contract including, variations and additional costs or loss and expense. You should also include all materials delivered to site, and where your contract allows you to claim for them, materials held off-site as well.

You should also maintain a good line of communication between you and whoever is responsible for certifying payment. Get straight on to any issues arising and iron out small difficulties before they develop into bigger problems.

If you are in any doubt about how to set out your applications or how the Contractor or Client should be dealing with them you can get free advice at: <https://www.streetwisesubbiegold.co.uk/>

4 You Do Not Have A Proper Credit Control Strategy!

Management systems do not have to be very grand or complicated but you do need to have some systematic way of keeping tabs on when your money is due. In larger organisations this will probably involve a whole team of people. In smaller companies, it may be down to just one individual.

Whatever the size of the system it needs to be effective. Take an objective look at your system. Be honest, is it as good as it could be? Does everyone understand exactly what is expected of them and how they relate to and rely on others to make the system work effectively?

One of the worst problems I regularly come across in both large and small organisations is that of your accounts department speaking to the Contractor or Client's accounts departments. This might work fine in some industries and it might work fine most of the time in your company. But, when there are problems it can be a recipe for frustration and delay.

In most Contractor's organisations the person who determines what is paid and when is paid is the Quantity Surveyor. The accounts department only pay what they are told to pay! Your accounts department can speak to their accounts department until the cows come home but it won't get you anywhere unless their Quantity Surveyor releases payment.

Streetwisesubbie.com Ltd Shanakiel 17 Ilkeston road Heanor Derbyshire DE75 7DR

Call: 01773 712116 email: info@streetwisesubbie.com [Click Here To See Examples Of How We can Help](#)

With all due respect to those people in the accounts department who do understand contracts, there are an awful lot who don't.

So if your accounts department doesn't understand the provisions of the contract, don't let them speak to the Quantity Surveyor. They will only get fobbed off with some plausible excuse. The net result will be a big smile on the face of the Main Contractor who gets to keep your money for a little while longer!

Cut through the noise with our friendly help and support at; <https://www.streetwisesubbiegold.co.uk/>

5 You Make Excuses For People Who Owe You Money!

Being willing to place an order with you is only one small part of what you should be looking for in a relationship with a Contractor or Client.

In the context of collecting your money when it is due, what you really need to know is whether they will be ready, willing and able to pay when the money falls due. A Contractor or Client who can't, or won't, pay is worse than no customer at all and a Contractor or Client who takes too long to pay is almost as bad.

If you have worked for an organisation before, then you will have a pretty good idea as to whether or not they pay on time. However, don't assume that because the Manchester office of XYZ national contractor is a good payer, the same will apply to the Bristol office.

A lot will depend upon the particular circumstances within that company and within each branch. Whether you get paid on time or not may come down to your relationship with individuals within an organisation rather than the inherent culture of the organisation itself.

However, do not allow yourself or anyone else in your team to make excuses for the paying party. You know the kind of thing;

- *"They never pay on time/always pay late"*
- *"They haven't been paid yet but they will pay as soon as they have"*
- *"They are just a bit short of cash at the moment"*
- *"They are short staffed at the moment due to..."*

If you make excuses for non-payers then this just allows time to slip by. Time, you could have used to take action. Action you should have taken before it was too late!

6 You're Not Aware Of Your Rights!

Are you aware of the Statutory Protection that may help you get paid?

If your contract is subject to the Housing Grants Construction and Regeneration Act 1996 (the Construction Act) this will give you some protection. The Act sets out the minimum requirements that a construction contract must include with regard to payment.

But beware, as not all your contracts are subject to the Act!

If the Act applies and your contract doesn't comply with the provisions of the Act, then the terms of the Scheme for Construction Contracts are implied into the contract between the parties.

It can get a bit confusing, so please don't leave it to chance, come and get the benefit of some fast, friendly, free advice on 01773 712116.

Streetwisesubbie.com Ltd Shanakiel 17 Ilkeston road Heanor Derbyshire DE75 7DR

Call: 01773 712116 email: info@streetwisesubbie.com [Click Here To See Examples Of How We can Help](#)

Notices

The Act also provides for the giving of notices by the paying party.

Section 110 (2) of the Act requires the paying party to give a notice specifying the amount of the payment and the basis upon which the amount of the payment was calculated. This is essential, as it provides you with details of the work that is being paid for and equally importantly, that which is not being paid for.

Section 111 of the Act sets out the minimum requirements for the giving of a Payless Notice. To be effective, the Notice must be issued on time and state the amount to be withheld and how it has been calculated.

Paid When Paid

The practice of pay when paid used to be commonplace in the construction and engineering industry, but such provisions are now deemed “ineffective” under the Act. Albeit that you still need to be cautious!

Section 113 of the Act makes any provision which makes payment conditional on the payer receiving payment from a third party “ineffective”. The only exception to this rule is where the third party from whom payment is due becomes insolvent.

This is where you need to watch out, because if you don't know how financially secure the third party is, you could be the one not getting paid! So, you may need to check out the party or parties further up the contractual chain.

If you are in any doubt about your contractual position why not call our friendly team on 01773 712116 or email info@streetwisesubbie.com.

7 You Repeat Rather Than Escalate!

If you ask for payment without any real conviction what sort of message do you think that sends out to whoever owes you the money?

If you simply repeat your request a few days later do you think they will take any more notice this time?

You must set in place a system of “escalation” in the event of non-payment rather than “repetition”.

Suspend Performance

By virtue of Section 112 of the Act, you now have a very powerful weapon to use in the event of non-payment.

You have the right to suspend performance when the money due under a construction contract is not paid in full by the final date for payment and no valid Pay Less Notice has been issued.

You are entitled to suspend performance for as long as payment remains outstanding.

But beware, like all powerful weapons this one has to be used carefully, and you would be well advised to take advice before suspending performance. The consequences of getting it wrong can be catastrophic!

Find out more about cost effective support at; <https://www.streetwisesubbiegold.co.uk/>.

Streetwisesubbie.com Ltd Shanakiel 17 Ilkeston road Heanor Derbyshire DE75 7DR

Call: 01773 712116 email: info@streetwisesubbie.com [Click Here To See Examples Of How We can Help](#)

Adjudication

There is no doubt that when done properly, adjudication (and sometimes just the threat of adjudication) is a fast and cost-effective way of getting paid.

The decision to refer a matter to adjudication should not be taken lightly or in the absence of proper consideration of all the facts. In particular you need to check the terms of the contract to make sure there aren't any provisions that make it more difficult for you to do so, or impose certain specific requirements of which you could fall foul, and thereby end up wasting money on a flawed process that doesn't actually get you anywhere!

If you have a payment problem and you are considering adjudication or someone is threatening you with adjudication please call us now on 01773 712116, there's no time to lose!

Let Us Help You To Make Your Business Life Easier!

We Understand Your Business

Which means that we get to the nub of your problem quicker and more economically.

We Work with Lots Of Other Specialist Contractors Just Like You

Which means we know the kind of problems you face on a daily basis – and the most cost effective solutions.

We Have Extensive Construction Experience

Which means that we know what works, and just as importantly, what doesn't. It's at our fingertips – so we can get to work straight away on the real problem, saving you time and money.

We Are Alive To The Dirty Tricks Used by Contractors

When it comes to helping you get paid, we have seen most of the stunts tricks and sharp practice used by Contractors – and we know how to get you your money.

We Are Well Qualified

We work with a nationwide team of independent professionals who are highly trained and well qualified in their relevant disciplines - when we give you advice you can be confident it is good advice.

We Are Not Easily Shaken Off

We are very determined individuals who get stuck in on your behalf and are not easily fobbed off by whatever obstacles are put in our way. We've been in some tough situations and normally come out on top!

Extensive Adjudication And Legal Experience

Our team has represented clients in literally hundreds of negotiations, adjudications, arbitrations, and in court, with substantial success – so if we cannot negotiate a settlement we have the means to progress your case quickly and easily.

Why take risks with your wealth and security, when you should be protecting your business? Get started today on-line at: <https://www.streetwisesubbiegold.co.uk/>

Or please feel free to call our friendly team for more information and advice on 01773 712116.

Streetwisesubbie.com Ltd Shanakiel 17 Ilkeston road Heanor Derbyshire DE75 7DR

Call: 01773 712116 email: info@streetwisesubbie.com [Click Here To See Examples Of How We can Help](#)