

SCHEDULE

The Scheme

Part I

Adjudication

Notice of Intention to seek Adjudication

1.—(1) Any party to a construction contract (the “referring party”) may give written notice (the “notice of adjudication”) of his intention to refer any dispute arising under the contract, to adjudication.

(2) The notice of adjudication shall be given to every other party to the contract.

(3) The notice of adjudication shall set out briefly—

- (a) the nature and a brief description of the dispute and of the parties involved;
- (b) details of where and when the dispute has arisen;
- (c) the nature of the redress which is sought; and
- (d) the names and addresses of the parties to the contract (including, where appropriate, the addresses which the parties have specified for the giving of notices).

2.—(1) Following the giving of a notice of adjudication and subject to any agreement between the parties to the dispute as to who shall act as adjudicator—

- (a) the referring party shall request the person (if any) specified in the contract to act as adjudicator;
- (b) if no person is named in the contract or the person named has already indicated that he is unwilling or unable to act, and the contract provides for a specified nominating body to select a person, the referring party shall request that nominating body named in the contract to select a person to act as adjudicator; or
- (c) where neither paragraph (a) nor (b) applies, or where the person referred to in paragraph (a) has already indicated that he is unwilling or unable to act and paragraph (b) does not apply, the referring party shall request an adjudicator nominating body to select a person to act as adjudicator.

(2) A person requested to act as adjudicator in accordance with sub-paragraph (1) shall indicate whether or not he is willing to act within 2 days of receiving the request.

(3) In this paragraph, and in paragraphs 5 and 6, an “adjudicator nominating body” shall mean a body (not being an individual and not being a party to the dispute) which holds itself out publicly as a body which will select an adjudicator when requested to do so by a referring party.

3. The request referred to in paragraphs 2, 5 and 6 shall be accompanied by a copy of the notice of adjudication.

4. Any person requested or selected to act as adjudicator in accordance with paragraphs 2, 5 or 6 shall be an individual acting in his personal capacity. A person requested or selected to act as an adjudicator shall not be an employee of any of the parties to the dispute and shall declare any interest, financial or otherwise, in any matter relating to the dispute.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

5.—(1) The nominating body referred to in paragraphs 2(1)(b) and 6(1)(b) or the adjudicator nominating body referred to in paragraphs 2(1)(c), 5(2)(b) and 6(1)(c) must communicate the selection of an adjudicator to the referring party within 5 days of receiving a request to do so.

(2) Where the nominating body or the adjudicator nominating body fails to comply with sub-paragraph (1), the referring party may—

(a) agree with the other party to the dispute to request a specified person to act as adjudicator; or

(b) request any other adjudicator nominating body to select a person to act as adjudicator.

(3) The person requested to act as adjudicator in accordance with sub-paragraphs (1) or (2) shall indicate whether or not he is willing to act within 2 days of receiving the request.

6.—(1) Where an adjudicator who is named in the contract indicates to the parties that he is unable or unwilling to act, or where he fails to respond in accordance with paragraph 2(2), the referring party may—

(a) request another person (if any) specified in the contract to act as adjudicator;

(b) request the nominating body (if any) referred to in the contract to select a person to act as adjudicator; or

(c) request any other adjudicator nominating body to select a person to act as adjudicator.

(2) The person requested to act in accordance with sub-paragraph (1) shall indicate whether or not he is willing to act within 2 days of receiving the request.

7.—(1) Where an adjudicator has been selected in accordance with paragraphs 2, 5 or 6, the referring party shall, not later than 7 days from the date of the notice of adjudication, refer the dispute in writing (the “referral notice”) to the adjudicator.

(2) A referral notice shall be accompanied by copies of, or relevant extracts from, the construction contract and such other documents as the referring party intends to rely upon.

(3) The referring party shall, at the same time as he sends to the adjudicator the documents referred to in sub-paragraphs (1) and (2), send copies of those documents to every other party to the dispute.

8.—(1) The adjudicator may, with the consent of all the parties to those disputes, adjudicate at the same time on more than one dispute under the same contract.

(2) The adjudicator may, with the consent of all the parties to those disputes, adjudicate at the same time on related disputes under different contracts, whether or not one or more of those parties is a party to those disputes.

(3) All the parties in sub-paragraphs (1) and (2) respectively may agree to extend the period within which the adjudicator may reach a decision in relation to all or any of these disputes.

(4) Where an adjudicator ceases to act because a dispute is to be adjudicated on by another person in terms of this paragraph, that adjudicator’s fees and expenses shall be determined in accordance with paragraph 25.

9.—(1) An adjudicator may resign at any time on giving notice in writing to the parties to the dispute.

(2) An adjudicator must resign where the dispute is the same or substantially the same as one which has previously been referred to adjudication, and a decision has been taken in that adjudication.

(3) Where an adjudicator ceases to act under sub-paragraph (1)–

- (a) the referring party may serve a fresh notice under paragraph 1 and shall request an adjudicator to act in accordance with paragraphs 2 to 7; and
- (b) if requested by the new adjudicator and insofar as it is reasonably practicable, the parties shall supply him with copies of all documents which they had made available to the previous adjudicator.

(4) Where an adjudicator resigns in the circumstances referred to in sub-paragraph (2), or where a dispute varies significantly from the dispute referred to him in the referral notice and for that reason he is not competent to decide it, the adjudicator shall be entitled to the payment of such reasonable amount as he may determine by way of fees and expenses reasonably incurred by him. The parties shall be jointly and severally liable for any sum which remains outstanding following the making of any determination on how the payment shall be apportioned.

10. Where any party to the dispute objects to the appointment of a particular person as adjudicator, that objection shall not invalidate the adjudicator's appointment nor any decision he may reach in accordance with paragraph 20.

11.—(1) The parties to a dispute may at any time agree to revoke the appointment of the adjudicator. The adjudicator shall be entitled to the payment of such reasonable amount as he may determine by way of fees and expenses incurred by him. The parties shall be jointly and severally liable for any sum which remains outstanding following the making of any determination on how the payment shall be apportioned.

(2) Where the revocation of the appointment of the adjudicator is due to the default or misconduct of the adjudicator, the parties shall not be liable to apply the adjudicator's fees and expenses.

Powers of the adjudicator

12. The adjudicator shall—

- (a) act impartially in carrying out his duties and shall do so in accordance with any relevant terms of the contract and shall reach his decision in accordance with the applicable law in relation to the contract; and
- (b) avoid incurring unnecessary expense.

13. The adjudicator may take the initiative in ascertaining the facts and the law necessary to determine the dispute, and shall decide on the procedure to be followed in the adjudication. In particular he may—

- (a) request any part to the contract to supply him with such documents as he may reasonably require including, if he so directs, any written statement from any party to the contract supporting or supplementing the referral notice and any other documents given under paragraph 7(2);
- (b) decide the language or languages to be used in the adjudication and whether a translation of any document is to be provided and if so by whom;
- (c) meet and question any of the parties to the contract and their representatives;
- (d) subject to obtaining any necessary consent from a third party, make such site visits and inspections as he considers appropriate, whether accompanied by the parties or not;
- (e) subject to obtaining any necessary consent from a third party, carry out any tests or experiments;
- (f) obtain and consider such representations and submissions as he requires, and, provided he has notified the parties of his intention, appoint experts, assessors or legal advisers;
- (g) give directions as to the timetable for the adjudication, any deadlines, or limits as to the length of written document or oral representations to be complied with; and

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(h) issue other directions relating to the conduct of the adjudication.

14. The parties shall comply with any request or direction of the adjudicator in relation to the adjudication.

15. If, without showing sufficient cause, a party fails to comply with any request, direction or timetable of the adjudicator made in accordance with his powers, fails to produce any document or written statement requested by the adjudicator, or in any other way fails to comply with a requirement under these provisions relating to the adjudication, the adjudicator may—

- (a) continue the adjudication in the absence of that party or of the document or written statement requested,
- (b) draw such inferences from that failure to comply as circumstances may, in the adjudicator's opinion, be justified; and
- (c) make a decision on the basis of the information before him attaching such weight as he thinks fit to any evidence submitted to him outside any period he may have requested or directed.

16.—(1) Subject to any agreement between the parties to the contrary, and to the terms of subparagraph (2), any party to the dispute may be assisted by, or represented by, such advisers or representatives (whether legally qualified or not) as he considers appropriate.

(2) Where the adjudicator is considering oral evidence or representations, a party to the dispute may not be represented by more than one person, unless the adjudicator gives directions to the contrary.

17. The adjudicator shall consider any relevant information submitted to him by any of the parties to the dispute and shall make available to them any information to be taken into account in reaching his decision.

18. The adjudicator and any party to the dispute shall not disclose to any other person any information or document provided to him in connection with the adjudication which the party supplying it has indicated is to be treated as confidential, except to the extent that it is necessary for the purposes of, or in connection with, the adjudication.

19.—(1) The adjudicator shall reach his decision not later than—

- (a) 28 days after the date of the referral notice mentioned in paragraph 7(1);
- (b) 42 days after the date of the referral notice if the referring party so consents; or
- (c) such period exceeding 28 days after the referral notice as the parties to the dispute may, after the giving of that notice, agree.

(2) Where the adjudicator fails, for any reason, to reach his decision in accordance with subparagraph (1)—

- (a) any of the parties to the dispute may serve a fresh notice under paragraph 1 and shall request an adjudicator to act in accordance with paragraphs 2 to 7; and
- (b) if requested by the new adjudicator and insofar as it is reasonably practicable, the parties shall supply him with copies of all documents which they had made available to the previous adjudicator.

(3) As soon as possible after he has reached a decision, the adjudicator shall deliver a copy of that decision to each of the parties to the contract.

Adjudicator's decision

20. The adjudicator shall decide the matters in dispute. He may take into account any other matters which the parties to the dispute agree should be within the scope of the adjudication or which are matters under the contract which he considers are necessarily connected with the dispute. In particular, he may—

- (a) open up, revise and review any decision taken or any certificate given by any person referred to in the contract unless the contract states that the decision or certificate is final and conclusive;
- (b) decide that any of the parties to the dispute is liable take a payment under the contract (whether in sterling or some other currency) and, subject to Article 10(4) of the 1997 Order, when that payment is due and the final date for payment;
- (c) having regard to any term of the contract relating to the payment of interest decide the circumstances in which, and the rates at which, and the periods for which simple or compound rates of interest shall be paid.

21. In the absence of any directions by the adjudicator relating to the time for performance of his decision, the parties shall be required to comply with any decision of the adjudicator immediately on delivery of the decision to the parties in accordance with this paragraph.

22. If requested by one of the parties to the dispute, the adjudicator shall provide reasons for his decision.

Effects of the decision

23.—(1) In his decision, the adjudicator may, if he thinks fit, order any of the parties to comply peremptorily with his decision or any part of it.

(2) The decision of the adjudicator shall be binding on the parties, and they shall comply with it until the dispute is finally determined by legal proceedings, by arbitration (if the contract provides for arbitration or the parties otherwise agree to arbitration) or by agreement between the parties.

24. Section 42 of the Arbitration Act 1996⁽¹⁾ shall apply to this Scheme subject to the following modifications—

- (a) for the word “tribunal” wherever it appears there shall be substituted the word “adjudicator”;
- (b) in paragraph (b) of sub-section (2) for the words “arbitral proceedings” there shall be substituted the word “adjudication”;
- (c) paragraph (c) of sub-section (2) shall be deleted; and
- (d) sub-section (3) shall be deleted.

25. The adjudicator shall be entitled to the payment of such reasonable amount as he may determine by way of fees and expenses reasonably incurred by him. The parties shall be jointly and severally liable for any sum which remains outstanding following the making of any determination on how the payment shall be apportioned.

26. The adjudicator shall not be liable for anything done or omitted in the discharge or purported discharge of his functions as adjudicator unless the act or omission is in bad faith, and any employee or agent of the adjudicator shall be similarly protected from liability.

(1) 1996 c. 23