These notes refer to the Construction Contracts (Amendment) Act (Northern Ireland) 2011 (c.4) which received Royal Assent on 10 February 2011

Construction Contracts (Amendment) Act (Northern Ireland) 2011

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Section 8 - Suspension of performance for non-payment

Article 11 of the 1997 Order permits a contractor to stop carrying out work under the contract in the event of non-payment by the other party.

Paragraph *(a)* of section 8 amends paragraph (1) of Article 11 to put it beyond doubt that a contractor may stop carrying out some, and not simply all, of the work in such a case.

Paragraph (b) of section 8 inserts a new paragraph (3A) into Article 11. The effect of this is to make the "party in default" (the party who has not paid) liable to pay to the contractor stopping work pursuant to Article 11 a reasonable amount by way of the costs and expenses he incurs by stopping work (for instance, the payee's reasonable costs in redeploying staff or removing plant and equipment).

Paragraph (c) of section 8 amends paragraph (4) of Article 11. Article 11(4) as originally enacted provided that any period during which the contractor stopped work in pursuance of this right to do so in a non-payment situation was to be disregarded in calculating any time period prescribed in the contract. The amendment extends this to any period in which the contractor stops work "in consequence of the exercise of" this right; with the effect that extra time is allowable – for instance, the time which the payee requires to remobilise staff or return plant and equipment to the relevant site.