

## Statement of Intent

Errigal Contracts Ltd recognises and is aware of the principals and requirements of the HM Government (OGC) Fair Payment Charter, as summarised below:

- Deliberate late payment or unjustifiable withholding is not acceptable
- If clients are not applying retentions, they should not be applied along the supply chain
- Payment periods not to exceed 30 days
- Payments will be made by electronic BACS transfer
- The guide makes clear that:
- Past payment performance will be a key prequalifying criterion in the selection of lead contractors
- Clients may wish to pay subcontractors directly
- Subcontractors involved at the design stage should be paid for their time on a fee basis
- Valuation processes should be replaced by milestone payments and payment schedules

## Responsibilities

It is the Responsibility of our Construction Director and our Financial Director with the support of the Management Team to ensure that adequate resources are made available to ensure our statutory obligations are continuously fulfilled.

## Arrangements

While we are committed to the principals set out in the charter, there will be circumstances where we cannot comply fully e.g. because of payment terms will differ between Suppliers and Subcontractors based on the Directors' of Company's individual agreement with each Supplier / Subcontractor.

Work that is done – at our Customer's instruction / contractually - on a fixed price and / or staged payment / valuation type, basis will naturally have different terms and conditions associated with the nature of the work, any guarantees associated with the completed work e.g. retention payments after practical completion payments, etc. as opposed to the routine, regular, fixed frequency e.g. monthly / fortnightly / monthly payments made to individual sole trader subcontractors. Payments to Suppliers for materials will generally be outside of our direct control i.e. we normally have to confirm with those Suppliers' payment terms in order to retain satisfactory credit terms.

As a smaller, essentially sub-contracting company, we have less influence over larger Suppliers and Subcontractors.

The essential weakness with the charter is, as is clearly stated in the 'Model' charter given in the official guidance: the "Charter is not intended to be a legally binding document and not used in construing any contractual commitment" the charter therefore has little real meaning or force in law.

Wherever we are engaged in a Fair Payment Charter project, we will sign up to and fully comply with it, if required, and then as required by the terms of the charter.

## Performance Management, Monitoring and Review

This policy will be regularly monitored to ensure that the objectives are achieved and it will be reviewed and, if necessary, revised in the light of legislative or organisational changes.

## Authorisation

  
12/01/2017

Cormac McCloskey (*Construction Director*)

  
12/01/2017

Damien Treanor (*Financial Director*)