

NOTICE OF INTENTION TO SUSPEND PERFORMANCE

At least seven days' notice, stating the grounds — HGCRA 1996 s.112

NOTICE — TO THE PARTY IN DEFAULT

KD-PAY-SN-005 Rev A0

Where a sum the Act requires to be paid by the final date for payment — the notified sum, or the sum in a valid pay less notice — is not paid in full, the person to whom it is due has the right to suspend performance of any or all of its obligations under the contract to the party in default (HGCRA 1996 s.112(1), read with s.111(1) and (6)). The right may not be used without first giving at least seven days' notice of intention to suspend, stating the ground or grounds (s.112(2)). It ends when the party in default makes payment in full of that sum (s.112(3)). WHAT THE ACT GIVES: the party in default is liable to pay a reasonable amount for the costs and expenses reasonably incurred as a result of the suspension (s.112(3A)); and the suspension period is disregarded in working out any contractual time limit for completing work directly or indirectly affected, by you or by a third party, with a date-based limit adjusted accordingly (s.112(4)). WHAT IT DOES NOT DO: it gives no right to suspend over any other disagreement, and your contract's own delay notices may still be needed — see KD-CA-ND-005 (Notice of Delay to Progress). Written for England and Wales. Part II of HGCRA 1996 also covers work in Scotland, which has its own Scheme regulations; Northern Ireland has its own construction contracts Order and Scheme — use those there. The Act's payment rules do not apply to a contract with a residential occupier: one principally about work on a dwelling that a party to the contract lives in or intends to live in (HGCRA 1996 s.106). A subcontract on a house is not excluded — the homeowner is not a party to it. Nor do they apply to work that is not construction operations (s.105(2)): for example manufacture or delivery to site of materials, components, plant or equipment under a contract that does not also provide for installing them, or installing plant or machinery (and its supporting steelwork) on a site whose primary activity is power generation, water or effluent treatment, or the production, processing or bulk storage of chemicals, pharmaceuticals, oil, gas, steel or food and drink.

TAKE ADVICE BEFORE YOU SUSPEND

Suspension is the strongest step in this range and the easiest to get wrong. If the right has not arisen — the final date has not passed, the sum was not one s.111 required to be paid, the payer paid the sum in a valid pay less notice, the notice was short, or no ground was stated — stopping work is not protected by s.112 and your contract decides the consequences. Your contract's own wording, notice clause and time limits govern. Take legal advice before you give this notice, and again before anyone leaves site. The last page (sections 7 and 8) is the office checklist and record; it is not sent.

1 THE CONTRACT AND THE PARTIES

FROM (PARTY INTENDING TO SUSPEND)

TO (PARTY IN DEFAULT)

ADDRESS AND EMAIL

ADDRESS FOR NOTICES

PROJECT AND CONTRACT

CONTRACT / ORDER REF

PAYMENT CLAUSE NO.

DATE OF THIS DOCUMENT

2 THE GROUND — THE UNPAID SUM

PAYMENT

NOTICE THAT SET THE SUM

PAY LESS NOTICE

THE SUM AND THE DATE IT WAS DUE

FINAL DATE FOR PAYMENT

SUM DUE BY THE FINAL DATE £

PAID BY THE FINAL DATE £

UNPAID £

THE GROUND OR GROUNDS ON WHICH WE INTEND TO SUSPEND

3 WHAT WE INTEND TO SUSPEND, AND WHEN

☐ All our obligations under the contract to the party in default

☐ Only the obligations described below

OBLIGATIONS TO BE SUSPENDED (WHERE NOT ALL)

DATES

THIS NOTICE GIVEN ON

SUSPENSION MAY BEGIN ON OR AFTER

PAY TO

HOW TO COUNT DAYS: under HGCRA 1996 s.116 a period after a date begins the day after that date, and Christmas Day, Good Friday and bank holidays are left out. Periods your contract sets are counted as your contract says. If you are not sure which count applies, meet your own deadline by the earlier date and let the other party's deadline pass by the later one — and take advice where it is close.

4 NOTICE

Notice of intention to suspend performance under section 112 of the Housing Grants, Construction and Regeneration Act 1996

The sum stated in section 2 was required to be paid by the final date for payment stated there and has not been paid in full. The ground on which we intend to suspend performance is stated in section 2. We intend to suspend performance of the obligations stated in section 3 on or after the date stated there, which is at least seven days after this notice is given. The right to suspend ceases when payment in full of that sum is made. Under section 112(3A) the party in default is liable to pay a reasonable amount in respect of costs and expenses reasonably incurred as a result of the exercise of the right, and under section 112(4) the period of suspension is disregarded in computing any contractual time limit for work affected by it.

5 HOW THIS WAS GIVEN

Serve it as the contract says. Where the contract says nothing about service, any effective means will do; a notice addressed, pre-paid and posted to the last known principal business address, or a company's registered or principal office, is treated as served; and a notice includes any communication in writing (HGCRA 1996 s.115).

HOW GIVEN	GIVEN TO	DATE AND TIME GIVEN	PROOF KEPT

TRACKER LINE (KD-PAY-PT-006)

6 SIGNED

For the party intending to suspend (director or authorised signatory):

PRINTED NAME	ROLE	COMPANY	SIGNATURE	DATE	TIME

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continued

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7 OFFICE CHECKLIST — KEEP ON FILE, DO NOT SEND

- The contract is a construction contract, and not one with a residential occupier (s.106)
- The work is construction operations — not supply-only, and not plant or its steelwork on an excluded process site (s.105(2))
- We have not become insolvent — where the contract excuses payment if the payee becomes insolvent after the pay less period, the duty to pay does not apply (s.111(10))
- We have identified the notice that set the sum, and hold a copy
- No valid pay less notice was received — or the sum in it has not been paid in full either
- The final date for payment has passed, counting any postponement under s.110B(3) and counting days as s.116 says
- We have read the contract's own suspension, notice and termination clauses
- This notice was given as the notices clause requires, and we hold proof of the date and time
- Legal advice was taken — who and when, below
- Before anyone leaves: the work area will be left safe and secure, and the principal contractor told who is leaving and when
- A cost log is open for the costs and expenses of the suspension (s.112(3A)), and the site diary (KD-SITE-SD-013) records the days

ADVICE TAKEN FROM

DECISION TO SUSPEND MADE BY

8 SUSPENSION RECORD

SUSPENDED FROM	PAID IN FULL ON	WORK RESUMED ON	DAYS SUSPENDED	COSTS AND EXPENSES £
WHAT HAPPENED				

R REVISION HISTORY

Every revision of this document, and every review that found nothing to change. The revision on the front of this sheet is the one you are holding — check kubitdocs.com for the current one before use.

Rev	Date	Class	What changed	Authorised by
D0	2026-09-12	first-issue	First issue.	— not yet approved —
A0	2026-09-12	review	Approved for issue by the author. Content unchanged from the reviewed draft; the draft status strip is removed. No independent third-party review has been carried out.	Author — director, UK principal contractor, SMSTS. Not an independent review.

Class: first-issue · material (the law, a control, a field or the scope changed — past buyers are notified) · editorial (wording or layout only) · review (checked, nothing changed) · withdrawal. Revision prefix D = draft, not approved and not for sale; A = approved for issue by the person named, on the date shown.