

Construction Pre-Insolvency Advice & Post-Insolvency Debt Recovery

When a construction business begins to experience financial pressure, early commercial intervention can make a significant difference to the outcome.

Four Consult provides specialist, construction-focused advice to contractors, subcontractors, directors, funders, and professional advisers before insolvency, along with post-insolvency support for insolvency practitioners and stakeholders seeking to identify, quantify, and recover construction book debts.

Our background in quantity surveying, contracting, commercial management and construction delivery enables us to look beyond the accounting ledger and understand the contractual position behind each debt.

“Protecting Construction Value Before and After Insolvency.”

Speak to Four Consult

Whether you are a director facing increasing financial pressure, an Insolvency Practitioner reviewing a contractor's debtor book, or a professional adviser seeking specialist construction input, early advice and expert input can materially improve recovery prospects.

Construction Pre-Insolvency Advice

Cash pressure within construction businesses can develop rapidly. Delayed certification, disputed applications, retentions, variations, prolongation costs, loss-making contracts and under-recovery of change can significantly distort the true financial position of a contractor.

Four Consult provides an independent commercial review to establish where value exists within the business and what practical steps can be taken to protect or improve its position.

Our support can include:

- Review of live construction contracts and commercial exposure
- Contract-by-contract profitability and cash-flow assessment
- Review of applications, payment notices and pay less notices
- Identification of uncertified work and unbilled contractual entitlement
- Variations and change account reviews
- Retention and final account analysis
- Assessment of claims, extensions of time and loss and expense
- Review of disputed and aged construction debt
- Work-in-progress and contract asset analysis
- Supply-chain and creditor exposure reviews
- Assessment of bonds, guarantees and contractual security
- Identification of contracts requiring immediate commercial intervention
- Support with contract completion, exit, novation or managed wind-down strategies

The objective is simple: establish the true commercial position before decisions are made purely from the accounting records.

Post-Insolvency Book Debt Recovery

Following an administration or liquidation, construction debt can be particularly difficult to realise.

Employers may introduce contra-charges, defects allegations, delay claims, set-off arguments or challenges to valuations once the contractor has entered an insolvency process.

Without detailed knowledge of the underlying projects and contracts, potentially valuable assets can therefore be significantly discounted or written off.

Four Consult works alongside Insolvency Practitioners, solicitors and other professional advisers to investigate and maximise the realisation of construction contract debt.

Our services include:

- Initial debtor ledger review.
- Contract and project document investigation.
- Debtor-by-debtor recoverability assessment.
- Reconciliation of applications and payment notices.
- Measurement and valuation of works completed.
- Final account preparation and reconciliation.
- Retention recovery.
- Variation and change account analysis.
- Review of set-off and contra-charge allegations.
- Assessment of defects and completion-cost claims.
- Identification of additional contractual entitlement.
- Preparation of supporting commercial documentation.
- Direct engagement and negotiation with debtors.
- Support for mediation, adjudication and legal recovery.
- Recommendations on recovery priorities and prospects of success.

Supporting Insolvency Practitioners

Four Consult can be appointed immediately following an insolvency appointment to provide specialist construction support to the officeholder.

We can assist with:

- Rapid assessment of the construction debtor ledger.
- Identification of high-value recovery opportunities.
- Review of incomplete and terminated contracts.
- Quantification of work completed at the appointment date.
- Analysis of retentions and final accounts.
- Investigation of contractual claims.
- Assessment of employer counterclaims.
- Contract documentation and records review.
- Construction-specific technical input.
- Liaison with the supply chains engaged in a project.
- Liaison with solicitors and adjudication teams.
- Commercial negotiation with employers and developers.

Four Consult can be appointed by IPs on an hourly rate, fixed fee or CFA arrangement.

Our Approach - Converting the Debtor Ledger to a Recovery Strategy

We do not simply issue standard debt collection correspondence.

Construction debt requires an understanding of the project, the various delivery methods and a contract-led approach.

Our review considers the underlying project position, contractual entitlement, available project records, potential counterclaims, cost of recovery and likely commercial outcome.

This allows each debtor to be prioritised according to:

Value - how much could potentially be recovered.

Strength - the contractual and evidential strength of the claim.

Risk - Any potential set-off, counterclaim or litigation exposure.

Recoverability - the debtor's position and realistic prospect of payment.

Cost - whether further commercial or legal action is proportionate.

The result is a structured recovery strategy focused on the debts most capable of generating a return for the estate.

Why Four Consult?

Free Initial Construction Ledger Review

Where a contractor is experiencing financial pressure, or an Insolvency Practitioner has recently been appointed, Four Consult can undertake an initial review of the construction debtor ledger and identify where further investigation may generate value.

Construction Specialists

Construction debts are contractual assets. Our quantity surveying and contractor side experience enables us to understand how those assets were created and how they can be recovered.

We interrogate the contracts, applications, valuations, notices, variations, correspondence and project records sitting behind the debtor ledger.

Early Identification of Value

Potential contractual entitlement may not appear within the company's accounting records. Our review can identify retentions, variations, claims and other amounts capable of recovery.

Hands-On Recovery

We provide practical support from initial assessment through to negotiation, final account agreement, adjudication support and recovery strategy.

Independent Assessment

We provide stakeholders and office holders with a clear assessment of the strength, value and recoverability of each material construction debt, enabling informed decisions to be made before further costs are incurred.

Discuss your project with Four Consult

www.fourconsult.co.uk