

EVER READY

General Information

Generally

Ever Ready is a small maintenance company that specialises in quick-response jobs on large housing estates. In addition, it carries out period maintenance contracts for both property and external works (grass cutting, tree and plant maintenance and so on). The business is owned by Mike Cutter together with his son, Neil and Neil's wife, Margaret. All work in the business, Neil (electrical and decorating) and Margaret (plumbing and heating) full time and Mike (external works) in a semi-retired capacity. The business turns over around £200,000 a year, which is a nice little earner for all three, but the downside is that they are on call 24 hours every day (the essence of their company), and so their family life is very fragmented.

Ever Ready compete with several similar companies for the term maintenance work although they tend to win bids because of their low overheads. However, one of the problems with this type of work is that it is 'on demand' and so there is rarely a steady flow. Even grass cutting can be controlled by the client's budget, rather than by the demands of the seasons. So Ever Ready have tried in recent years to increase the quick-response work and started their own renovation business to the point where term work accounts for about half of their annual turnover.

The Dispute

Three years ago (and with a year still to run on the current contract) their main competitor (Ace Contractors Ltd) made an accusation to the Combined Housing Action Trust (CHAT) that Ever Ready had approached them to fix prices for the CHAT work. This would mean that, when work was being quoted for CHAT, either Ever Ready or Ace would bid and the other submit a 'cover' price. That way the work would be more profitable and there would be a guarantee of a steady work flow and income stream. CHAT, like most public or semi-public bodies, have a rigid policy on fraud and corruption and they immediately suspended Ever Ready pending an investigation. Whilst Neil and Margaret devoted their energies to other work, and so keep the business afloat, Mike pursued CHAT to get the allegations put into writing and to get Ever Ready reinstated. Six months later the allegations were withdrawn, by which time Ace had successfully tendered for three large term contracts for the next year, and Ever Ready had only the remnants of work for that current year with nothing for the next year.

Ever Ready were convinced that this situation was contrived by Ace, probably with the knowledge of at least one CHAT Manager, to get their main competitor out of the way when the time came for bidding the next year's work. Mike was furious that it had taken six months to have the allegations withdrawn, six months when he personally had no work, no source of income and total frustration at getting no-where with CHAT. He even

initiated an action against Ace Contractors Ltd but his solicitor advised that, with nothing in writing, the chances of success were very slim.

The Claim

Last year Ever Ready made a claim for breach of contract against CHAT. By then Mike had made it a personal mission to get justice and was totally committed to getting recompense for the losses, endless frustration and damage to reputation suffered by Ever Ready. He researched the law, human rights legislation and the terms of natural justice. He lobbied the Office of Fair Trading, local Chamber of Commerce and Association of Housing Trusts. The more he persisted, the more he seemed to be rebuffed. CHAT ignored his letters and did not return his phone calls. In desperation, Mike started Arbitration proceedings

The Ever Ready claim is under three heads:

>Loss of income during the six months suspension	£50,000
>Loss of work following reinstatement	£50,000
>13 weeks notice of termination (not given)	<u>£25,000</u>
	£125,000

Punitive damages for lost reputation, frustration, aggravation x 5= £625,000

Plus costs (around £7,500) and interest.

All the above figures are based upon the average Ever Ready turn-over for the three years prior to suspension (approx £200,000, half of which was term contracts). The last submitted accounts show that Ever Ready is no longer trading.

CHAT unsuccessfully applied to the Arbitrator to throw out the claim as they maintained it was without foundation. CHAT have now lodged a request with the Arbitrator for security of costs in the sum of £25,000 because they feel Ever Ready are without substance and have no legal representation. This has yet to be heard and the arbitration is currently on hold pending the outcome of the mediation. The mediation is at the request of CHAT and they are paying the mediator's fees in total.

Attending the mediation

Mike Cutter or Margaret if Mike is too ill to attend

CHAT Manager of Contracts
CHAT Chief Executive
Partner of External Law Firm

NOTE: The Mediator has spoken with Mike and tried to persuade him to bring a lawyer or, at the very least, a companion (preferably his son Neil). He has refused and insists on attending alone.

© David Richbell
October 2006