



Housing Grants, Construction and Regeneration Act 1996

1996 CHAPTER 53

PART II

CONSTRUCTION CONTRACTS

Payment

112 Right to suspend performance for non-payment.

- (1) [^{F1}Where the requirement in section 111(1) applies in relation to any sum but is not complied with,], the person to whom the sum is due has the right (without prejudice to any other right or remedy) to suspend performance of [^{F2}any or all of] his obligations under the contract to the party by whom payment ought to have been made (“the party in default”).
 - (2) The right may not be exercised without first giving to the party in default at least seven days’ notice of intention to suspend performance, stating the ground or grounds on which it is intended to suspend performance.
 - (3) The right to suspend performance ceases when the party in default makes payment in full of [^{F3}the sum referred to in subsection (1)].
- [^{F4}(3A) Where the right conferred by this section is exercised, the party in default shall be liable to pay to the party exercising the right a reasonable amount in respect of costs and expenses reasonably incurred by that party as a result of the exercise of the right.]
- (4) Any period during which performance is suspended in pursuance of [^{F5}, or in consequence of the exercise of,] the right conferred by this section shall be disregarded in computing for the purposes of any contractual time limit the time taken, by the party exercising the right or by a third party, to complete any work directly or indirectly affected by the exercise of the right.

Changes to legislation: There are currently no known outstanding effects for the Housing Grants, Construction and Regeneration Act 1996, Section 112. (See end of Document for details)

Where the contractual time limit is set by reference to a date rather than a period, the date shall be adjusted accordingly.

Textual Amendments

- F1** Words in s. 112(1) substituted (1.10.2011 for E.W., 1.11.2011 for S.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), [ss. 144\(2\)\(a\)](#), 148(8), 149 (with s. 149(3)(4)); S.I. 2011/1582, art. 2, S.S.I. 2011/291, art. 2
- F2** Words in s. 112(1) inserted (1.10.2011 for E.W., 1.11.2011 for S.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), [ss. 145\(2\)](#), 148(8), 149 (with s. 149(3)(4)); S.I. 2011/1582, art. 2; S.I. 2011/1597, arts. 2, 3, S.S.I. 2011/291, art. 2
- F3** Words in s. 112(3) substituted (1.10.2011 for E.W., 1.11.2011 for S.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), [ss. 144\(2\)\(b\)](#), 148(8), 149 (with s. 149(3)(4)); S.I. 2011/1582, art. 2; S.I. 2011/1597, arts. 2, 3, S.S.I. 2011/291, art. 2
- F4** S. 112(3A) inserted (1.10.2011 for E.W., 1.11.2011 for S.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), [ss. 145\(3\)](#), 148(8), 149 (with s. 149(3)(4)); S.I. 2011/1582, art. 2; S.I. 2011/1597, arts. 2, 3, S.S.I. 2011/291, art. 2
- F5** Words in s. 112(4) inserted (1.10.2011 for E.W., 1.11.2011 for S.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), [ss. 145\(4\)](#), 148(8), 149 (with s. 149(3)(4)); S.I. 2011/1582, art. 2; S.I. 2011/1597, arts. 2, 3, S.S.I. 2011/291, art. 2

Modifications etc. (not altering text)

- C1** Pt. 2 excluded (E.W.) (5.5.2023) by [The Construction Contracts \(Exclusion\) \(Wales\) Order 2023 \(S.I. 2023/475\)](#), arts. 1(3), 3

Commencement Information

- I1** S. 112 wholly in force; s. 112 not in force at Royal Assent see s. 150; s. 112 in force at 1.5.1998 by (E.W.) [S.I. 1998/650](#), [art. 2](#) and (S.) [S.I. 1998/894](#), [art. 2](#)

Changes to legislation:

There are currently no known outstanding effects for the Housing Grants, Construction and Regeneration Act 1996, Section 112.