



# Contract termination and settlement of disputed invoices

## Situation

A dispute between a leading national social housing provider and a cleaning contractor regarding the contractor's poor performance under a cleaning services contract. We successfully negotiated an agreement regarding the cleaning contractor's outstanding invoices without Court proceedings being issued by the contractor. The contractor waived its right to any costs arising due to the early termination of the contract and terms were agreed to ensure the smooth transfer of cleaning services to a new provider, including the transfer of relevant staff.

## Challenge

The client had three big challenges:

1. The settlement of disputed invoices;
2. The termination of the contract;
3. TUPE transfer of staff.

## Solution

We analysed and collated evidence regarding the cleaning contractor's contractual failures to support settlement of disputed invoices and termination. We then advised regarding settlement strategy, suspension and termination of the contract (including TUPE considerations in liaison with Employment colleagues). During the settlement negotiations with the cleaning contractor's solicitors we attended a without prejudice meeting and finally, we brokered a settlement and drafted a termination and settlement agreement.

## Outcome

In this instance, the housing provider had provided the cleaning contractor with a photographic reference book which illustrated the required standard for the cleaning services at its properties. This source was invaluable in demonstrating that the cleaning contractor had failed to properly perform the contract.

Where there has been a complete breakdown in a contractual relationship, and the parties no longer wish to work together, TUPE considerations can prove difficult. However, the parties' agreement regarding the transfer of personnel was a key factor in resolving this dispute.

**Do you face similar challenges?**

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CASE PROFILE