

28 April 2023

## What is Genius Integrate?

In construction there are two different views:

The customer: Wants to have work done, but they are anxious that all their building works are complete to their satisfaction before they part with their cash.

NHBC have a scheme where the contractor uses their registration, and NHBC guarantees the minor faults are remedied speedily.

Small renovations are not covered by NHBC, however Select in Scotland that electrical contractors are members of and Gas Safe for gas engineers can intervene to settle disputes. Joinery, plastering, roofing and painting contractors can belong to supporting organisations, but they have no guarantee except that which is offered by the contractor themselves.

The Contractor: Cash flow is the number one cause of bankruptcy in the construction industry.

An article on 19 April 2023 in the Construction News stated that “significant cash flow challenges” caused a 60-year-old construction company, Stewart and Shields, a family owned firm from Hellensburgh on the Forth of Clyde to call in the liquidators. ( <https://www.constructionnews.co.uk/financial/administrations/family-firm-calls-in-liquidators-after-60-years-in-business-19-04-2023/> Link obtained on 20/4/23 )

The irony is the money in construction is mostly tied up in bank mortgage installment payments and solicitor client accounts earning interest. There isn't really a cash shortage, just late payments, and an insistence on paying by the 30th of the month following invoice. Building suppliers may count all invoices from a statement as due from the last day of each month, however if they decide to take legal action, interest on business buyers accounts will be calculated from the invoice date. So a payment for materials by the customer or architect is at least 29 days late. After 3 months of non payment due to “retentions” and pressure on the contractor to keep to tight schedules, millions of pounds in debt can accumulate to over 10 suppliers and sub contractors. The most common unpaid supplier is HMRC for VAT and PAYE.

Genius Renovate: We have developed an understanding of this subject over 40 years and have now created a new division called Genius Integrate we will use to manage deposits and sub contractor payments.

The meaning of integrate is: To bring together parts, to unite or combine parts or people into a larger unit. ( <https://www.dictionary.com/browse/integrate> - © 2023 Dictionary.com, LLC )

Genius Integrate will act as an intermediary between clients, sub contractors, suppliers and tenants. To hold clients funds for each project in their own personal interest earning savings account on a “just in time” basis. Our project management team will make sure all parties in the contract are able to access vital information through our project management online portal. Our clients and contractors have full access to the portal and any problems can be resolved within an hour with real time updates to their mobile phone.

We aim to pay contractors 7 days after checking and approving works. Our client will top up their personal client account “just in time” for payments. This is all agreed by contract. Genius Integrate through being a stand alone division of our company is required to uphold the terms of the contract and integrate the requests of the client and needs of the contractors for the term of the project.

Approved by the members at: 16 Banavie Court, Ellon – 28/04/2023

### **A franchise of Genius Teamcare Limited**

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