What is adjudication?

Adjudication is a statutory dispute resolution procedure introduced by the Housing Grants, Construction and Regeneration Act 1996 (as amended) (Act), to provide a quicker and cheaper method by which certain construction disputes could be resolved.

A party to a construction contract (as defined in the Act) has a statutory right to refer a crystallised dispute to adjudication at any time. Parties are free to agree their own adjudication procedure within their contract (contractual adjudication). If they have not, or their procedure does not satisfy the statutory requirements, the whole of The Scheme for Construction Contracts (England and Wales) Regulations 1998 (as amended) (Scheme) will apply. The below provides a very brief overview of adjudication.

Do I have the right to adjudicate?

Yes

No

Has my dispute crystallised?

Yes

No

If the contract does not include an express right to adjudicate (whether or not the contract concerns construction operations); there is no right to contractual adjudication. However, a party might be able to use the statutory procedure (the Scheme), if they have a construction contract under the Act.

Referring Party serves a Notice of Adjudication

- Description of the parties and dispute.
- Details of the contract and adjudication procedure.
- Sets out how the dispute has arisen.
- Details the remedy sought.
- Referral Notice must be served within 7 days of the Notice of Adjudication.

Appointment of the adjudicator

- Agree adjudicator / apply to adjudicator nominating body.
- Agree adjudicator’s terms and conditions.
- Consider jurisdictional challenges, eg the dispute hasn’t crystallised / no construction contract.

Day 28

Adjudicator’s Decision

- The adjudicator must reach his decision within 28 days of the Referral Notice (although the timetable may be extended).
- The adjudicator will give a ruling on the dispute that has been referred (in contrast to mediation, where non-binding recommendations are made).
- The decision is binding on an interim basis (until the dispute is finally determined by litigation, arbitration or by agreement).