



Project monitoring the facts from Scanlans

Scanlans - the independent project monitor

Financing a development project always carries a risk for the lender. To reduce that risk, and provide a greater degree of certainty, it is vital that the lender appoints an independent project monitor. The word independent is the key. All too often, lenders rely solely on the quantity surveyor appointed by the developer's own design team. For real reassurance they should appoint their own independent specialist who will put the lenders' interests first. The first choice for an independent project monitor is Scanlans Consultant Surveyors.

Why should Scanlans be the lender's first choice for project monitoring?

Appointing an independent project monitor such as Scanlans to oversee procurement and construction ensures the lender can manage risk in the most appropriate way. Scanlans will first produce a feasibility/development appraisal report. This reviews the developer's proposals in terms of cost, contract quality and programme. Significantly, it will also cover other development issues such as planning consent, Building Regulations, insurance, warranties and CDM 2007 Health and Safety legislation. This reduces the funder's risk from the outset.

During the construction phase, Scanlans will attend on site regularly to undertake detailed work-in-progress inspections. This involves close liaison with the design team and local authorities as appropriate. At every stage, Scanlans is solely looking after the interests of the lender, so there is never any conflict of interest. This means the lender will be told immediately about any concerns - such as cost overruns or planning issues - that could increase their risk. Scanlans will then work with the lender and the design team to ensure the project stays on course.

Benefit from Scanlans experience and expertise

Scanlans carry out project monitoring instructions for a wide variety of development funders, including high street banks, providers of specialist development finance, secondary lenders and building societies. We are acknowledged independent experts in this field. We have a huge amount of experience, having been involved in more than 300 development projects in the past five years alone.

Our independence means we act pro-actively to resolve issues with the developer as and when they arrive, without ever compromising our obligations to our client, the lender.

North West
0161 236 8781

London & South East
020 7799 5380

West Midlands
0121 705 7000

Wales & South West
029 2048 7582

Yorkshire
0113 281 8585



Instructing a Project Monitor – the benefits to you:

There are a variety of benefits of instructing a Project Monitor including, but not limited to:

Development Costs:

We examine costs and ensure the proposals are within an acceptable range considering the build type, specification, procurement and geographical location. We ensure the cash flow is accurate and we take the same approach with professional fees and ensure adequate allowance has been made for statutory requirements and build warranties.

Building Contract/procurement:

The selected procurement route dictates responsibility for construction and design risk. The lender should be aware that risk is apportioned to the correct parties and, if required, that sufficient indemnity is in place. The contract documents should be checked and any unnecessary risks be identified so that a lender can obtain additional protection if required.

Statutory Undertakings:

Planning and Building Control should be scrutinised before any funds are committed. A lender should have comfort in the knowledge that a scheme is fully compliant and that conditions precedent have been

satisfied. We also try to predict any additional cost/risk in ultimately satisfying Planning and Building Regulations and ensure allowance is made within the cost report.

Insurances, Warranties and Bonds:

As part of the Development Appraisal, Scanlans provide commentary on the adequacy of insurances and make recommendations for collateral warranties and performance bonds if required.

Work In Progress Valuation:

When developments reach the construction stage, we are expert in controlling the draw down of funds in relation to the approved contract sum or cost plan. We monitor progress and cash flow and protecting the cost to complete is of paramount importance.

Scanlans' flexible and pragmatic approach means we are able to perfect a Funder's security. Where we are not able to do so, our Client is always made aware of our concerns. We often act as LPA Receivers and are all too aware of the ongoing problems when due diligence has been neglected.

Who we are – Meet the Scanlans Team

Scanlans has continuously taken Project Monitoring appointments for more than 30 years.

Our specialist Project Monitors operate out of Scanlan's offices in Manchester, London, Birmingham, Leeds and Cardiff.

www.scanlansconsultantsurveyors.com

Project Monitoring - the next step:

Manchester/Leeds

Jim Wilson
0161 212 8333
jim.wilson@scanlanscs.com

Birmingham

Neil Inman
0121 703 2840
neil.inman@scanlanscs.com

London

Mike Miller
0207 3400 233
mike.miller@scanlanscs.com