

When contractors terminate their contracts

Your contract with any client or agent should include a clause which governs termination, both by yourself and by the client.

Specific Terms for Termination

"Your ability to terminate the contract is dependent on the rules set for it: you should have a specific notice period for termination, and your termination should not affect your receiving full payment for your work," says [David Royden](#), a lawyer specialising in contract law with Layton's Solicitors in Manchester.

Royden notes a recent trend in which agents propose contracts which cannot be terminated by the contractor. "This is entirely legal, but no contract can be renewed ad infinitum. A specific period for the contract must be provided," Royden points out.

We are in a period of rising contractor fees, so it is in the interest of agents to try and lock you in to a given fee level. "There is absolutely no reason why you should accept this," Royden points out.

Terminating Isn't Disloyal

Agents will tell you that you need to display loyalty to clients, or you will lose credibility. Contractor credibility comes from a solid track record of projects completed within the scheduled period. What you do not want to show is a list of half-finished projects or of projects terminated early.

This does not mean that you have no right to terminate early within the terms of the contract, particularly if you feel that you are not being treated fairly or reasonably by the employer, or if you simply prefer to find a better deal elsewhere. But you do not wish to create a long track record of this sort which would not make you seem like a dependable contractor to hire.

“ No contract can be renewed ad infinitum ”

David Royden-Laytons Solicitors

Breach of Contract

If your client breaches the contract with you, you may have the right to terminate the contract immediately. "Failure to pay on time, failure to provide the conditions agreed upon, or any failure to adhere to the terms set out in the contract could constitute breach of contract, and could mean that you can terminate the contract without further delay. This is a touchy area, and you should take advice from a professional before taking any steps of this kind," Royden explains.

Avoid Compulsory Extensions

There is nothing wrong with an agent demanding that the contractor agree to one or two compulsory extensions. Projects can run too long, and the client might reasonably expect you to stay with the project if it does. Whilst these are rare, you should try and avoid signing up to these kind of clauses if they are presented to you.

But the number of compulsory extensions should be finite, and there should not be too many of them. "Typically, a contract will call for the agent to give notice of an extension within a certain period before the end of the contract.

This notice should be given in specific form--a written notice via post, fax, email, or whatever. But this should not be possible more than one or two times, and that should be clearly stated in the contract," Royden points out. "After that, you should be able to renegotiate your rate."

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“ After a finite number of extensions you should be able to renegotiate your rate ”

David Royden-Laytons Solicitors

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