

Covid-19: Financial sharp practices

Recent events have launched us all into some sort weird parallel world much closer to, or in fact more extreme than, a Hollywood sci-fi disaster movie. This has posed some serious questions about how to run our businesses and the inevitable cash flow issues, while keeping our staff safe, and not breaching the terms of contracts with our clients. In the main, for office-based staff, we have all been able to adapt well, and remarkably quickly, to the new normal of home working, MS Teams, Skype calls and Zoom meetings.

However, we are all facing a massive economic challenge for which, unlike in the 2008 Credit Crunch recession, we had little warning of or time to prepare for. Thankfully, so far, most development sector clients seem largely trying to do their best to keep things as much as possible business as usual but they, like the rest of us, they are also facing financial uncertainty and potential cash flow issues. As clients start to tighten their belts and make cost savings, this creates a serious potential danger to archaeology. Archaeology, which even after all these years since PPG16, is still frequently seen as just a cost which delivers little or no value to the developer and so is an obvious target for such savings.

In less than 3 days since this Covid-19 lockdown started, Orion Heritage has had its first example of a client trying to take advantage of the current crisis. Our nameless client has just tried to get us to agree to reducing an invoice that we raised at the end of February by bleating that, because of market uncertainty, a few of their land deals have had to slow down. This was a mere £3k invoice covering work done and completed in good faith and invoiced before the Covid-19 crisis blew up and the economy started to falter. This request was caveated by a promise that the invoice would be processed quickly if we agreed to a reduction – a clear and barely veiled threat about what may happen if we did not. We have told the client (possibly soon to be an ex-client) to get stuffed (in a firm but pleasant way) and if they decide not to use us in future because of this, then so be it as I do not want Orion to work with companies who are prepared to be so unscrupulous.

We as a profession need to be very firm about resisting such pressures, which are bound to increase if this crisis becomes prolonged, otherwise we will devalue what we as a profession do, compound the industry's already current serious economic challenges which in turn will increase the need to furlough or even let staff go, as well as opening the flood gates of the development industry seeing archaeology as a push over now and in the future.

We as a profession all need to hold together on this sort of unscrupulous action otherwise we will just drive pay down and increase the risk of redundancies or even company failure throughout the sector.

Rob Bourn

Managing Director