



Aldous Bill (June 2018)

The Confederation of Construction Specialists has noted Build UK's, the Civil Engineering Contractors Association (CECA), supported by the Construction Products Association (CPA) response to Andrew Griffiths MP enquiry about their support for the 'Aldous' Bill.

Surprisingly, considering twenty-two of Build UK's Trade Association members have supported the Bill, all three have decided not to support the Bill and have confirmed their full support for kicking the can down the road by promoting the abolition of retention by no later than 2025, as endorsed by the Construction Leadership Council and set out in the Construction Supply Chain Payment Charter. Incidentally, the Confederation of Construction Specialists does not agree that waiting until 2025 to eradicate retentions is warranted as this outdated and detrimental practice should be abolished immediately.

Build UK and CECA believe that Government and Industry should work together to reduce retentions – a noble intention that will of course lead to delay and will depend on the industry agreeing to implement zero retentions and, more importantly, actually doing so. Build UK are producing a road map to zero retentions by consulting with its members. These are the same Main Contractor members that have not signed up to the Construction Supply Chain Payment Charter which was supported by Government, the Construction Leadership Council and, to their credit, promoted by Build UK. Only five Build UK Contractor members have signed up and as there are only forty-six signatories overall from a possible 288,000 construction businesses, this government and industry collaboration has obviously not worked, so why would others?

The 'Aldous' Bill does not seek to abolish retentions, but to address the fact that this money is not protected from spurious deductions and upstream insolvencies. More than £10.5bn of SMEs' potential working capital is locked up in retentions every year and £7.8bn was unpaid in the last three years and upstream insolvencies led to £700m being entirely lost to SMEs in a three-year period. This Bill provides a solution that will help all parties involved in construction by stabilising and securing cash-flow – including main contractors and clients. The Bill will simply protect SME's money.

The 'Aldous' Bill is not the cure for the retention madness that blights the construction industry, however, it is a positive intervention that needs to be supported. Zero retentions are absolutely the aim, so let us take this first step that is within grasp and also continue working towards the ultimate solution that for over fifty years has been out of reach.

The Confederation of Construction Specialists will continue to work for zero retentions and will always support initiatives that takes the construction industry in that direction.

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