



# focus

Voice of the Specialist Engineering Contractor

The members of the  
SEC Group are:

Association of Plumbing  
and Heating  
Contractors

British Constructional  
Steelwork Association

Electrical Contractors'  
Association

Heating and Ventilating  
Contractors' Association

Lift and Escalator  
Industry Association

SELECT

For further information on all  
aspects of SEC Group and its  
activities contact:

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Executive Secretary

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## RETENTIONS: THOSE NOT USING THEM.

It has now been estimated that nearly 15% of construction, by turnover, is now a retention-free zone. However, the fact that clients are not requiring retentions is not always reflected along the supply chain.

The SEC Group has identified public sector bodies and private sector organisations that do not hold and are moving away from retentions.

<b>ALDI</b>	<b>British Gypsum</b>	<b>Delta Healthcare</b>
<b>Allerdale Borough Council</b>	<b>British Nuclear Fuels</b> (on their de-commissioning programmes.)	<b>DeVere Hotels</b>
<b>ARENA</b>	<b>British Sugar</b>	<b>Derwentside District Council</b>
<b>Argos</b>	<b>Bromsgrove District Housing Trust</b>	<b>Eli Lily Environment Agency</b>
<b>Astra Zeneca UK Ltd</b>	<b>Bromford Housing Group</b>	<b>Evesham &amp; Pershore Housing Association</b>
<b>Aylesbury Vale District Council</b>	<b>BT</b>	<b>First Hydro</b>
<b>Birmingham Airport</b>	<b>Cardiff WwTW</b>	<b>General Motors (Vauxhall)</b>
<b>Birmingham City Council (as part of the Birmingham Construction Partnership)</b>	<b>Carillion</b> (provided that the client does not require retentions)	<b>Hewlett Packard</b>
<b>Bloor Homes</b>	<b>Circle33</b>	<b>Highways Agency</b>
<b>BMS Pharmaceuticals</b>	<b>Cisco Systems</b>	<b>Homebase</b>
<b>Boots the Chemists</b>	<b>City of Sunderland</b>	<b>John Lewis Partnerships</b>
<b>Borough Council of Kings Lynn &amp; West Norfolk</b> (for long-term contracts)	<b>Colt Telecomms</b>	<b>Laing O'Rourke</b> (on ProCure21 projects)
<b>British Airways</b>	<b>Coventry University</b>	<b>Lemon Zest</b>
	<b>Defence Estates Organisation</b>	<b>Lloyds TSB</b>
		<b>Lovell Partnerships</b>



<b>Lubrizon</b>	<b>Reading University</b>	<b>Tyne &amp; Wear Fire Authority</b> (also operates project bank accounts)
<b>National Grid Transco</b> (on framework contracts)	<b>Rushcliffe Borough Council</b>	<b>Unilever</b> (but they may require retentions when using a PQS)
<b>National Westminster Bank</b>	<b>Sainsburys</b>	<b>University of Leeds</b>
<b>Norfolk County Council</b> (Framework Agreement)	<b>Sandwell Homes</b>	<b>University of Manchester</b>
<b>North Tyneside District Council</b>	<b>Sapporo Teppanyaki</b>	<b>US Army</b> (when procuring construction work in UK)
<b>North Wales Police</b>	<b>Slough Estates</b>	<b>Vodafone</b>
<b>Northumberland Country Council</b>	<b>Stanhope</b>	<b>West Mercia Housing Group</b>
<b>Northumbrian Water</b>	<b>Taunton District Council</b>	<b>Winkworth</b>
<b>Oxford University</b>	<b>Tesco</b>	<b>Wyre Forest Community Housing</b>
<b>O2</b>	<b>Tewkesbury Borough Council</b> (where contracts are under seal)	<b>Yorkshire Water</b>
<b>Peterborough City Council</b>	<b>Thames Valley Police</b> (never deduct retentions on direct contracts)	<b>Welsh Water</b> (framework agreement)
<b>Portsmouth WwTW</b>	<b>Toyota UK</b>	
<b>Prison Service</b> (Framework Agreement)		

In July 2006 the Government and the industry launched the **Construction Commitments**. These were described by the Secretary of State for Culture, Media and Sport - Tessa Jowell MP - as 'obligations'. The Commitments define best practice for public sector procurement and Olympics construction.

#### **The Commitments state:**

'To ensure effective and equitable cash flow for all those involved, all contracts will incorporate fair payment practices, such as .....**no unfair withholding of retentions**.....'

### **IF YOU ARE SUFFERING RETENTIONS ABUSE ON PUBLIC SECTOR WORKS PLEASE PROVIDE YOUR ASSOCIATION AND SEC GROUP WITH THE EVIDENCE**

Unfair payment practices such as unduly prolonged or inappropriate cash retention undermine the principle of integrated team working and the ability and motivation of specialist suppliers to invest in innovation and capacity. – Extract taken the National Audit Office Report (page 14) on 'Improving Public Services through better construction' (published on 15 March 2005).

**SEC Group aim to update the list at regular intervals. In order to achieve this any additional information would be helpful and should be forwarded to John Nelson – Executive Secretary of SEC Group - at [contact@secgroup.org.uk](mailto:contact@secgroup.org.uk)**

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