

Russell George AM

Chair, Economy, Infrastructure and Skills Committee

16 May 2019

Dear Russell,

Retention payments in construction contracts

The Finance Committee is interested in undertaking a piece of work into retention payments in construction contracts and we discussed the issue at our meeting on 9 May 2019.

Our concerns are based around the delays in paying retention monies to contractors and the effect this has on the supply chain. Particularly the effect on smaller sub-contractors who have satisfactorily completed their work without defects but often have to wait a considerable amount of time to receive their retention payment for various reasons.

The UK Government recently consulted on [Retention payments in the construction industry](#) which closed in January 2018 and the responses are being analysed.

Given this work cuts across both of our Committee's remits, the Finance Committee would be interested in undertaking a joint piece of work with the Economy, Infrastructure and Skills (EIS) Committee on this issue. I would be grateful if the EIS Committee would consider this request and if agreeable the Clerk to the Finance Committee, Bethan Davies will arrange for us to meet to discuss the practicalities.

Yours sincerely,



Llyr Gruffydd AM
Chair of the Finance Committee

