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**PRESS RELEASE**  
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**NSCC Celebrates Launch of 'No Retention' Policy**

NSCC celebrated the launch of the NSCC No Retention Policy at an exclusive event on Wednesday 16 February in central London where over 100 key clients, contractors and suppliers heard from Martin Rowark, Head of Procurement at Crossrail.

The NSCC No Retention Policy, which has the support of NSCC's 32 member organisations, is aiming to eliminate cash retentions by providing Specialist Contractors with the support they need to resist retentions. NSCC is delighted that high profile clients such as Crossrail and Stanhope are increasingly recognising that there are better guarantees of quality than cash retention. Stanhope plc, one of the most successful development companies, removed retentions from its contracts some 20 years ago when it recognised that there was considerable disadvantage to its suppliers.

Peter Rogers, Director of Stanhope, explained:

*"The passage of time has strengthened the case for our policy, having both improved the relationships with suppliers and removed the risk of abuse."*

Crossrail, the biggest infrastructure project in the UK, has confirmed that its policy is not to include cash retention in its contracts and it does not expect cash retention to be withheld from the supply chain. Project Bank Accounts will be used on Crossrail projects to increase transparency and make sure that cash retention is not imposed on the supply chain. By taking steps to create a more efficient and trusting environment in which to work, Crossrail is demonstrating that there is no longer a need for retentions in the construction industry and NSCC expects other major clients to follow suit.

The NSCC reception, supported by Bibby Financial Services, Creditlook, and Surety and Bond, showcased the new Fair Payment Campaign website which has a dedicated section on retentions at [www.no-retention.co.uk](http://www.no-retention.co.uk) packed with helpful guidance and tools on how to implement a 'no retention' policy.

~ Ends ~

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## Notes to Editors

1. The National Specialist Contractors' Council (NSCC) brings together the common aims of 32 specialist trade organisations within the construction industry and is the authoritative voice of 7,000 Specialist Contractors in the UK – [www.nsc.org.uk](http://www.nsc.org.uk).

2. The NSCC No Retention Policy, adopted by NSCC members on 1 January 2011, states:

*NSCC believes that the withholding of retention is an outdated practice which is unnecessary in the modern construction industry. The best guarantee of quality lies in the choice of a competent and qualified supply chain and NSCC Specialist Contractors are committed to seeking to attain the highest applicable standards in health and safety, training and technical performance. NSCC recommends that, whilst its Specialist Contractors are free to negotiate their own respective contractual terms, they do not accept cash retentions.*

3. Further information on the NSCC No Retention Policy can be found at [www.no-retention.co.uk](http://www.no-retention.co.uk).

4. The Crossrail Procurement Policy states:

***KPP18 – CRL will not withhold retention money on its main civil contracts.***

*3.7.6 Retention is used in contracts to provide protection for the employer following completion in the event of incomplete or defective work. Traditionally, retention has been achieved by withholding a certain percentage from each interim payment. There is little evidence however, to show that retention results in better quality work and the practice has a significant impact on the contractor's cashflow. Bonds are now a common alternative to cash retention and are preferred by contractors. CRL will follow the Olympic Delivery Authority's approach of not using retention. However, CRL will require a 2.5% retention bond which will remain in place until the Defects Certificate is issued.*

5. Bibby Financial Services is a global financial service provider offering a range of flexible funding solutions for businesses - [www.bibbyfinancialservices.com](http://www.bibbyfinancialservices.com).
6. Creditlook is an online credit forum enabling companies to share real-time information about clients trading outside agreed payment terms - [www.creditlook.co.uk/nsc](http://www.creditlook.co.uk/nsc).
7. Surety and Bond are independent specialists in the surety market assisting clients with bonds and guarantees - [www.suretyandbond.co.uk](http://www.suretyandbond.co.uk).