

**Press Release**

**10 January 2018**

**FETA welcomes first reading of retentions bill**

The Federation of Environmental Trade Associations (FETA) has welcomed the first reading of a new retentions bill in parliament on 9th January 2018.

The ‘Aldous Bill’ has been introduced under the ‘Ten Minute Rule’ by Conservative MP for Waveney Peter Aldous, and has received cross-party support from 12 sponsoring MPs, including Sir Henry Bellingham (Conservative), Barry Sheerman (Labour), Caroline Lucas (Green Party) and Alan Brown (SNP).

Mr Aldous developed his Bill in conjunction with the Building Engineering Services Association (BESA) and the Electrical Contractors’ Association (ECA). The Bill seeks to amend the 1996 Construction Act to ensure retention money is held in a deposit protection scheme – thus ending the issue of upstream insolvency and the working capital it takes from the industry and SMEs. The Bill is also supported by the Federation of Master Builders (FMB); the Specialist Engineering Contractors’ (SEC) Group and more than 20 other trade bodies. The Bill does not seek to abolish retentions completely, but to address the fact that this money is not protected from upstream insolvencies.

The retentions reform has been a long-standing issue for FETA as it supports its members, many of them SMEs, who have been affected during past and current construction projects. In December 2017 FETA was among 23 signatories on a letter from the ECA, published in the Daily Telegraph, which highlighted how poor payment practices in construction affect productivity, innovation and investment. Some £10.5 billion of the overall construction sector turnover of £220 billion is held in retentions by clients and main contractors from small and medium-sized businesses down the supply chain. An estimated £7.8 billion in retentions has been unpaid in the construction sector over the last three years, and in the same period £700 million of retentions were lost due to upstream insolvencies.

Russell Beattie, Chief Executive of FETA, commented: “We have fully supported this initiative. Retention payments are a deeply contentious matter for many of our members and the fact this Bill has received support across parliament suggests it is beginning to gain the attention it warrants. FETA will continue to work alongside other trade associations to ensure the reform reaches a satisfactory conclusion for all parties. In parallel to this Bill, the Government currently have a consultation running on payment practices in the construction industry and we remain convinced that legislation is the only way forward as relying simply on voluntary improvements is no more likely to succeed now than it has in the past.”

-ENDS-

[www.feta.co.uk](http://www.feta.co.uk)

**Note to Editors**

FETA is the recognised UK body representing the interests of over 400 manufacturers, suppliers, installers and contractors within heating, ventilating, building controls, refrigeration and air conditioning.

FETA liaises with national government and the EU as well as the wider public. FETA member groups are: ADCAS, BCIA, BCFMA, BRA, HEVAC and HPA.

For further information, please contact Keystone Communications:

Michael Crane

Tel: 01733 294524

Email: michael@keystonecomms.co.uk

Russell Drury

Tel: 01733 294524

Email: russell@keystonecomms.co.uk