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PRESS RELEASE

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Specialist Contractors Continue To Struggle

The lack of construction work is taking its toll on Specialist Contractors according to the latest NSCC State of Trade Survey. Any initial signs of recovery have been wiped out in the third quarter of 2011 with respondents reporting significant decreases in enquiries (39%) and orders (37%) as a result of Government cuts and a lack of investor confidence.

One in three Specialist Contractors are anticipating a decrease in workload as they fail to see where future work is going to come from. With 51% of respondents now planning less than 3 months ahead, a member of the Association of Interior Specialists (AIS) summed up the problems facing the sector: *“there are three things affecting our business at the moment and they are demand, demand and demand”*.

Late payment remains a crucial issue affecting Specialist Contractors. Just 2% of respondents are being paid within 30 days indicating that the Government’s requirement for 30-day payment in the public sector is not flowing down through the supply chain. 77% of respondents wait up to 60 days for payment and 21% face payment periods of 60 days or more.

80% of Specialist Contractors have monies withheld against them in retentions at an average of over £90,000 per respondent with more than one third of all retentions overdue for release. It is hoped that the new Construction Act will improve the position on retentions as contracts must now contain specific dates for their release. The NSCC No Retention Policy continues to provide Specialist Contractors with the support they need to resist cash retentions and NSCC has launched an app enabling them to access the information on the move when they need it most.

NSCC Chief Executive Suzannah Nichol MBE commented on the outlook for Specialist Contractors:

“This quarter’s results show just what a debilitating effect the lack of work in the construction industry is having on the specialist sector. Government investment is desperately needed to restore confidence in the long term recovery of the industry and the wider UK economy.”

NSCC contributes its findings to the State of Trade Survey published by the Construction Products Association, enabling the experiences of the specialist sector to be compared with the wider industry.

~ 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
2. The NSCC State of Trade Survey is carried out quarterly across the specialist trades represented by NSCC with support from the School of the Built and Natural Environment at Northumbria University.
3. A full copy of the latest NSCC State of Trade report is available on the News page of the NSCC website at www.nsc.org.uk.
4. The Construction Products Association represents the UK's manufacturers and suppliers of construction products, acting as the voice of this £50 billion sector to represent the views of its members.
5. 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.

6. Further information on the NSCC No Retention Policy can be found at www.no-retention.co.uk.
7. The new NSCC No Retention Policy app can be accessed by scanning the QR code below or visiting www.no-retention.co.uk on your smartphone.



8. NSCC has published guidance on the changes to the Construction Act from 1 October 2011 in England and Wales and 1 November 2011 in Scotland which can be downloaded at <http://www.fairpaymentcampaign.co.uk/docs/TakingControlofthePaymentProcess-GuidanceontheConstruction%20Act.pdf>.