

Oonagh Gil  
Chair, Short Life Working Group on  
Use of Retentions in Construction Contracts

Minister for Business, Trade, Tourism and Enterprise  
Scottish Government  
St Andrew's House  
Regent Road  
Edinburgh  
EH1 3DG

15<sup>th</sup> July 2021

Dear Minister,

I have pleasure in enclosing the final report of the Short Life Working Group, established in January 21 to consider the use of retentions in construction contracts. This paper sets out our conclusions together with nine clear recommendations. We believe that implementation of these recommendations will support the construction sector and improve cash flow and business sustainability, particularly for small and medium sized businesses.

I am very grateful to all members of the working group who have freely shared their experience and knowledge. The group has worked constructively to discuss and debate the use of retentions and identify practical opportunities to improve practice.

Group members note that the negative consequences of poor practice with retentions have been known for many years. All members are keen to see improvement and welcome the opportunity to put forward these recommendations. The group are keen to hear your thoughts on these proposals, and would welcome the opportunity to provide expert views and input as they are taken forward.

Finally, I offer my sincere thanks to your staff who have supported the work of the group through providing secretariat functions and responding quickly and positively to numerous requests for additional information and support. In particular I am grateful to Greg Walker of the Directorate for Economic Development and Colin Judge of the Scottish Procurement

and Property Directorate both of whom have provided expert guidance which has been appreciated by all members of the group.

I wish you every success in your continued efforts to support Scotland's economy, and the construction sector in particular.

Yours faithfully

*Oonagh Gil*

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Chair

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