



Llywodraeth Cymru  
Welsh Government

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**WRITTEN STATEMENT**

**BY THE**

**WELSH GOVERNMENT**

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**TITLE**            **Project Bank Accounts**

**DATE**            **14 January 2014**

**BY**                **Jane Hutt, AM, Minister for Finance**

The construction sector in Wales is largely dominated by small to medium enterprises (SMEs), many of whom play critical roles through the supply chain in delivering our public sector construction contracts. Access to finance and cash flow are vital to smaller sub-contractors and it is only fair that they receive prompt payment in accordance with contract performance.

I am therefore announcing today that Flintshire, Swansea and Torfaen Councils have all identified construction projects to pilot the use of Project Bank Accounts (PBAs) in Wales. Each Council has identified at least one project from their 21<sup>st</sup> Century Schools programme with the possibility of other construction projects trialling the approach also. The option to adopt PBAs also features in the North Wales framework agreement for delivery of future schools building programme incorporating all six North Wales Local Authorities.

The introduction of PBAs in construction contracts is a commitment of the Construction Procurement Strategy that I published in July 2013. This also supports the Wales Procurement Policy that I published in December 2012 which requires public bodies to adopt best practice approaches to payment through the supply chain.

The use of PBAs will ensure that both main and sub-contractors are paid promptly for works performed. The pilots undertaken here in Wales will provide an evidence base in order to inform future Welsh Government policy and guidance.

I thank the Specialist Engineering Contractors' (SEC) Group in Wales for their support in raising the awareness of the challenges that many sub-contractors face in securing payment. The assistance of the SEC has been invaluable helping identify pilot projects for trialling PBAs in Wales.

This is another example of my commitment to using public procurement policy to enable smaller businesses to prosper through delivery of contracts in Wales.



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The Construction Procurement Strategy and Action Plan can be found on the Procurement Route Planner link below.

<http://prp.wales.gov.uk>