



Time to recognise the Worth of Specialist Contractors

As specialist contractors carry out the vast majority of construction work in the UK, isn't it time the construction industry acknowledged their role. Specialist contractors and suppliers will together produce the bulk of the detailed design work and will manufacture, fabricate, supply, install, commission and maintain the components which make up the finished building or structure. However, this is conveniently forgotten when Main Contractors deal with the Client. The Main Contract Agreement between the Client and Main Contractor is considered as the most significant contract even though the expertise of specialist contractors is indispensable. Specialist contractors invariably end up having no direct contractual link to the client, operate as sub-contractors to the Main Contractor and have to deal with Main Contractors unloading risk down through the supply chain.

So, why is there a reluctance to acknowledge the functions of specialist contractors and suppliers? Could it be that it is far easier to abuse contractual positions if specialist contractors are relegated to being functional accessories to the Main Contractor rather than being recognised for the crucial role they perform.

Of course, Main Contractors will argue that their supply chain is extremely important and are recognised and rewarded for the expertise they bring to construction projects. However, if this were the case, why do Main Contractors alter standard forms of subcontract, insist on onerous Terms and Conditions and participate in late payment practices. A quick look at data compiled by Build UK on their members' payment performance, using data published under the Duty to Report on Payment Practices and Performance, highlights the questionable late payment practices of many Main Contractors.

Company Name	% of invoices not paid within agreed terms	Average time taken to pay invoices (days)
Clugston	13	32
Willmott Dixon	8	33
Canary Wharf Contractors	8	34
VolkerWessels	19	35
Bouygues	31	40
AECOM	52	40
Skanska	11	41
ISG	48	42
Multiplex	47	43
Seddon	7	44
Morgan Sindall	24	44
Wates	62	44
Mace	43	45
BAM Construct	49	45
Keltbray	11	47

Galliford Try	26	47
Sir Robert McAlpine	70	49
Interserve	83	50
William Hare	29	51
Vinci	36	52
John Sisk & Son	64	52
Kier	48	54
Balfour Beatty	54	54
Engie	1	61
Murphy Group	66	66

The Guidance to reporting on payment practices and performance specifies that the average time taken to pay should be measured from the date of receipt of invoice to the date the supplier receives payment. For construction contracts in scope of the Housing Grants, Construction and Regeneration Act 1996, businesses must use the earliest point at which they have notice of an amount for payment, which would generally be the date they receive an application for payment.

It truly is the time for the construction industry to move forward. A good start would be to recognise the worth of specialist contractors, issue fair contracts, pay on time and stop all detrimental payment practices.

The construction industry has many problems; however, they can be resolved if all work together and put aside the adversarial attitude that is prevalent throughout the industry.

For over 30 years the Confederation of Construction Specialists has been supporting construction specialist companies. By providing up-to date relevant contract training courses, professional advice and contractual guidance, the Confederation of Construction Specialists enables specialist companies to optimise the ways in which they operate contractual arrangements when dealing with Main Contractors or clients

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