



11% of UK construction spend is on fit-out

Buildings may have 30 fit-outs during their lifecycle

Challenges that exist for subcontractors and the barriers these create to improving competence

FIS

Representing the
finishes & interior sector

Ongoing vetting of
contractors

Setting higher
standards

Driving quality
through a focus on

PRODUCT

PROCESS

PEOPLE

www.thefis.org

Building Integrated Systems

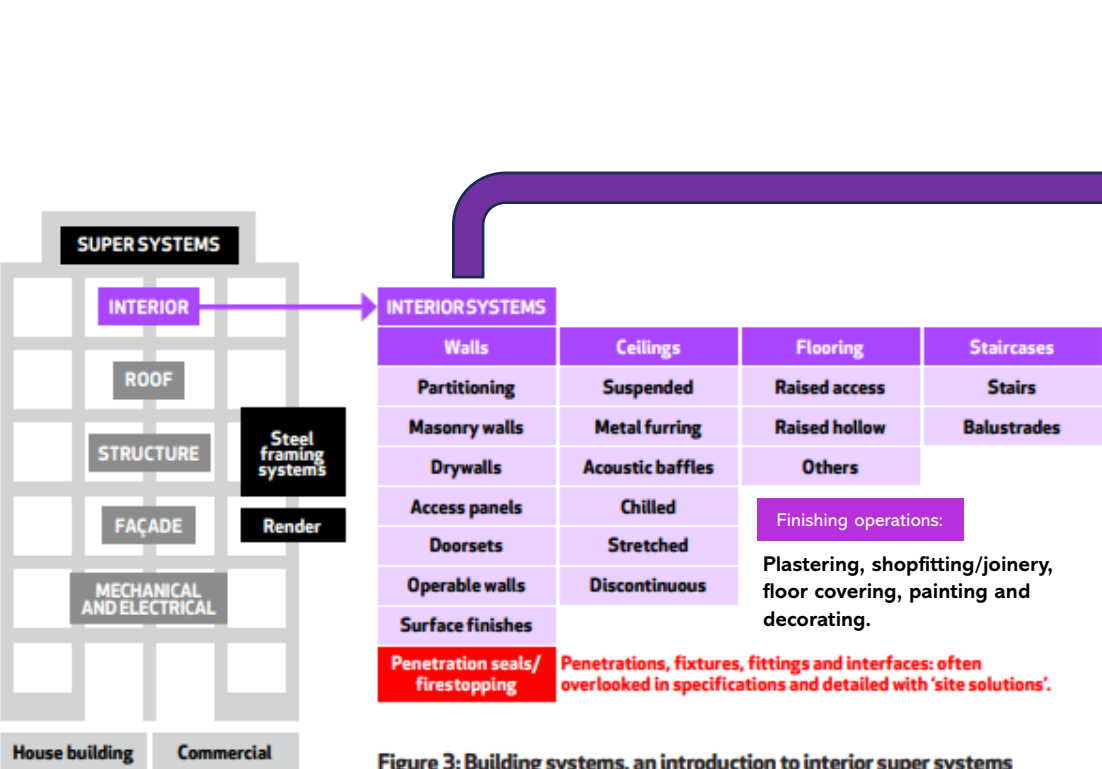
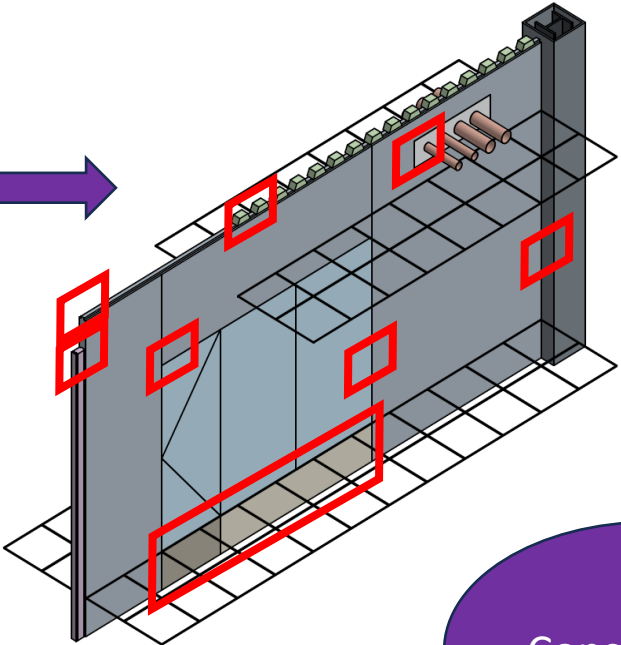
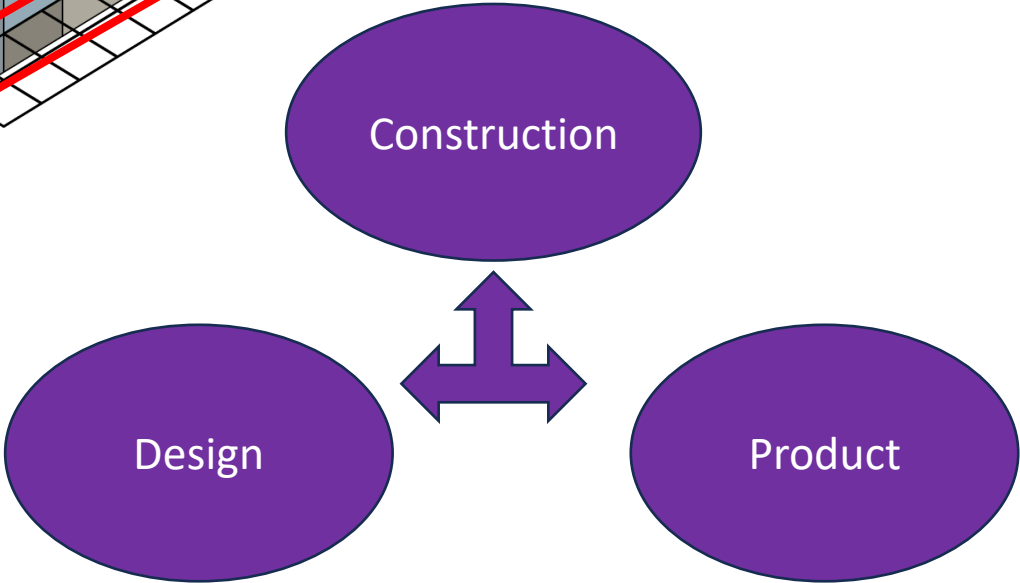
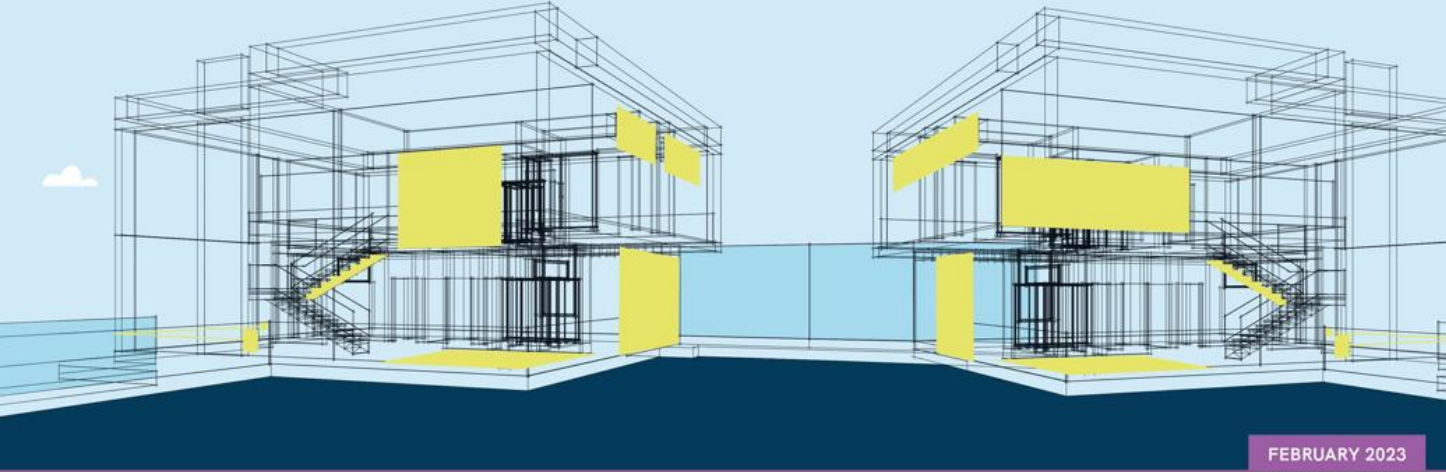


Figure 3: Building systems, an introduction to interior super systems



When contracts, procurement and design are not effectively aligned, the boundary between product performance declarations and design intent become unclear.





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Procurement in the finishes, fit-out and interiors sector

An exclusive data driven report exploring procurement practices

Researched and written by Professor Stuart Green
BSc MSc PhD CEng MICE FCIQB FRICS, University of Reading

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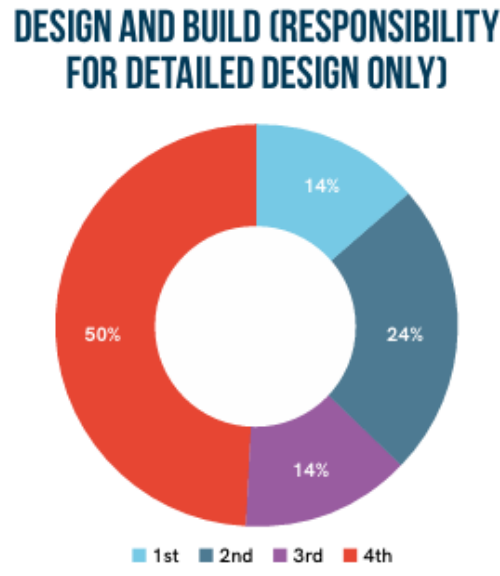
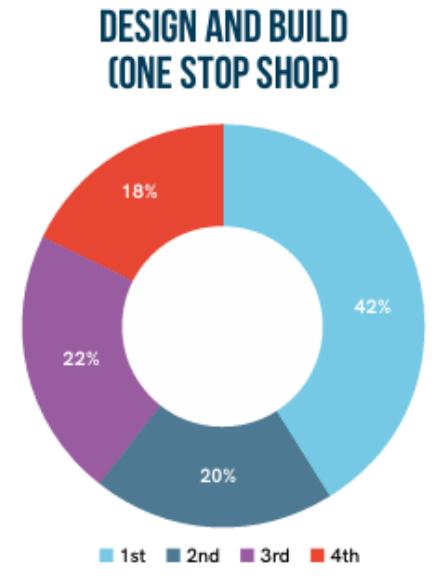
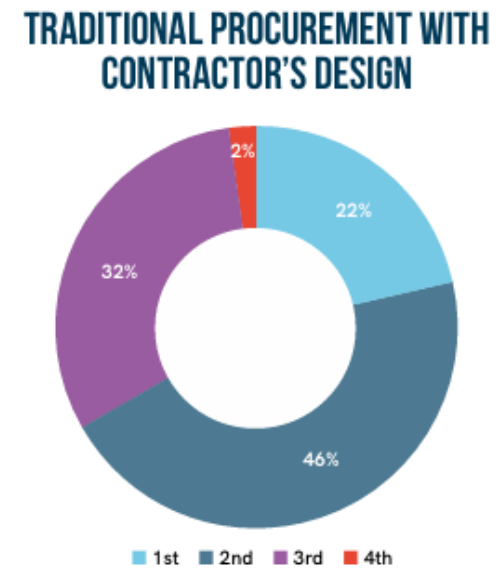
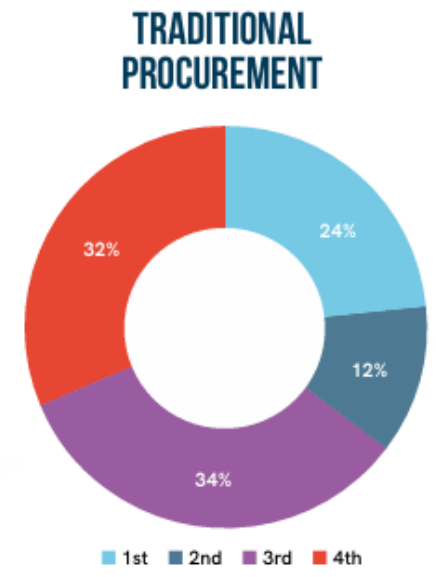
The four core risks in construction

Design

Time

Cost

Cash



(n=68)

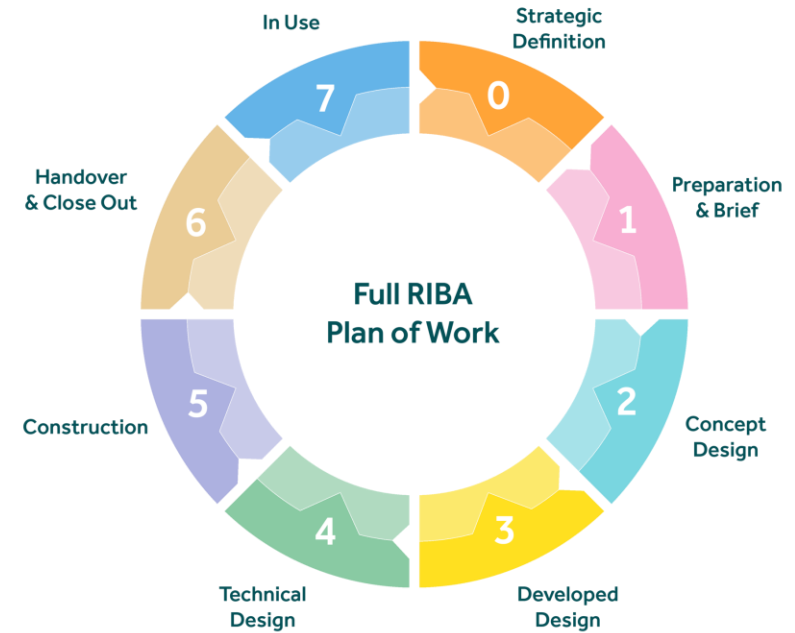
Figure 6.1

Source: University of Reading

Estimated usage of procurement methods

Please rank the following procurement methods to show which are the most commonly used in past 12 months?

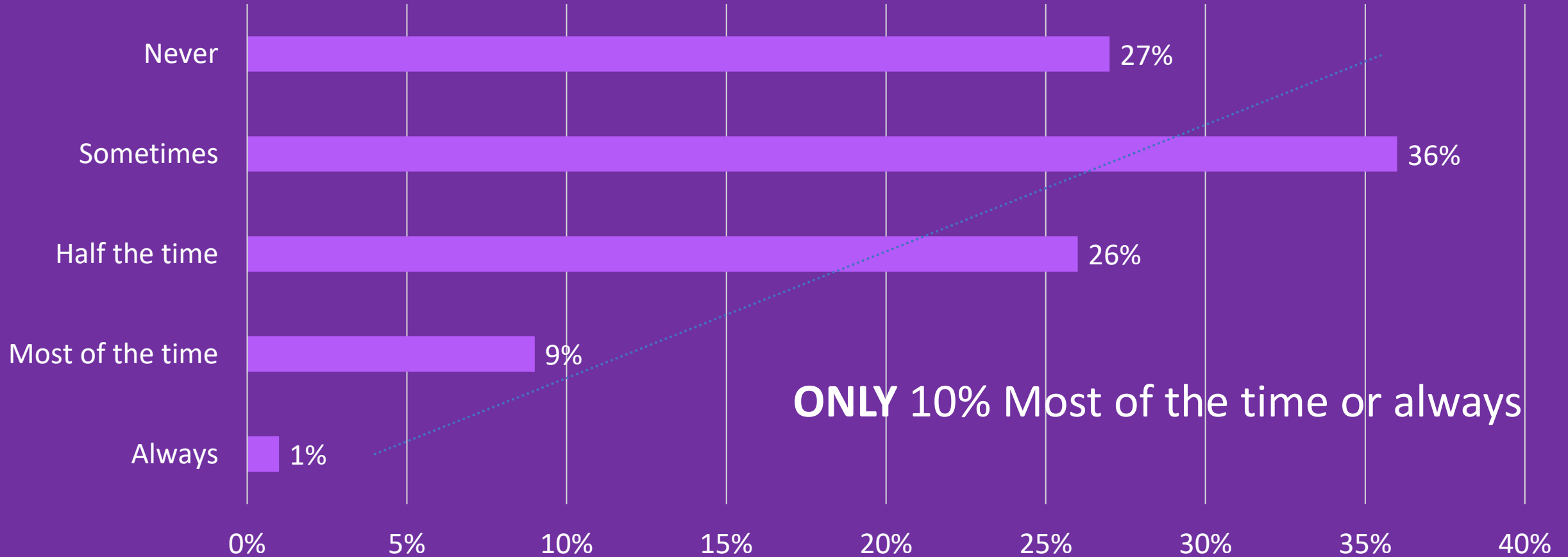
Design Responsibility



The RIBA Plan of Works recognises:

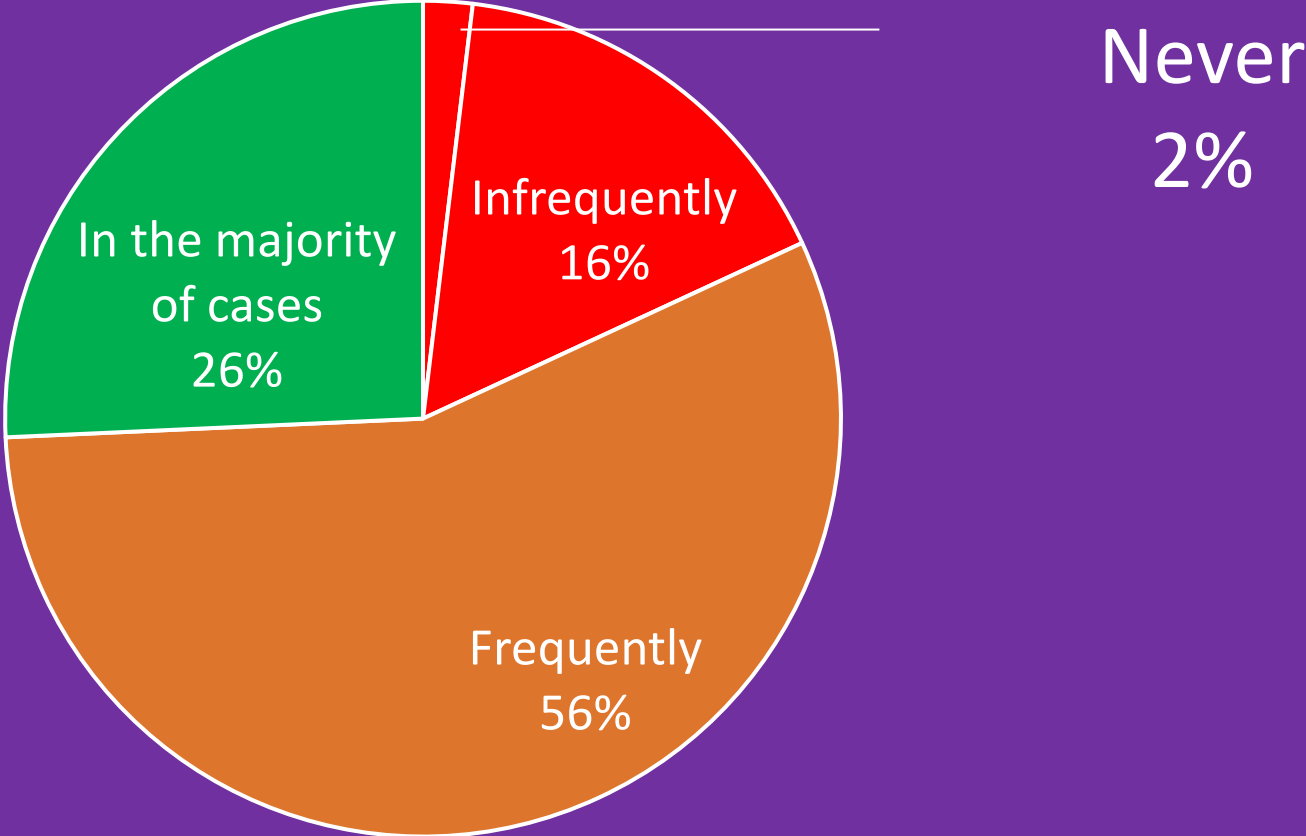
- “The interface between the design team and the construction team has also become more complex as aspects of building design are increasingly being carried out by **specialist subcontractors**.”
- “It is crucial to review the **Responsibility Matrix** before Stage 4 commences so it is clear who will be producing the Manufacturing Information and Construction Information and whether the design team will produce Prescriptive Information or Descriptive Information.”

DESIGN: If required to submit design information for approval, how often do you receive a decision within the specified contractual limit?



Source: [The Reading Report](#)

DESIGN: How often are you asked to commence with construction without sufficient design details to adequately detail the construction?



Source: FIS Dry Lining Working Group

We contract for the divorce not the marriage



4 Design duty of care

- 4.1 The Sub-Contractor shall carry out and complete the design for the Sub-Contractor's Designed Portion in accordance with the Sub-Contract Documents, the Statutory Requirements and Requisite Consents. In respect of the Sub-Contractor's Designed Portion, the Sub-Contractor shall observe and comply with any design submission procedure specified or referred to in the Sub-Contract Documents. The Sub-Contractor shall be responsible and liable in all respects for the entire design of the Sub-Contractor's Designed Portion (whether or not prepared by the Sub-Contractor) and the Sub-Contractor shall be responsible for any mistake, inaccuracy, ambiguity, conflict, error or discrepancy in the design of the Sub-Contractor's Designed Portion.

- 4.2 The Sub-Contractor has made all due allowances in the period within which to complete the Sub-Contract Works and in the Sub-Contract Price for all design development in connection with the Sub-Contractor's Designed Portion. Design development in respect of the Sub-Contractor's Designed Portion shall not amount to a Variation. The Sub-Contractor shall coordinate and integrate the Sub-Contractor's Designed Portion with any design prepared by Others, the Client's Persons and any Works Contractors.

Managing Design Risk

The implications of Contractor Design Portion and insurance considerations



“

The CLC’s Professional Indemnity Insurance Working Group has identified that too often standard form contract terms are being amended, to include liabilities and obligations that are disproportionately onerous for the nature of the work This means that if a client seeks to claim for loss or damage, it cannot be relied upon that it will be settled by the PII insurers, and the consultant/contractor potentially faces financial ruin, and the client left with a claim that cannot be recovered. This is not in the best interest of any party.

[You can read the full statement made in October 2024 here](#)

Construction Leadership Council Statement November 2024



TIME: delaying appointments until the latest date possible with a view to ensuring the best price

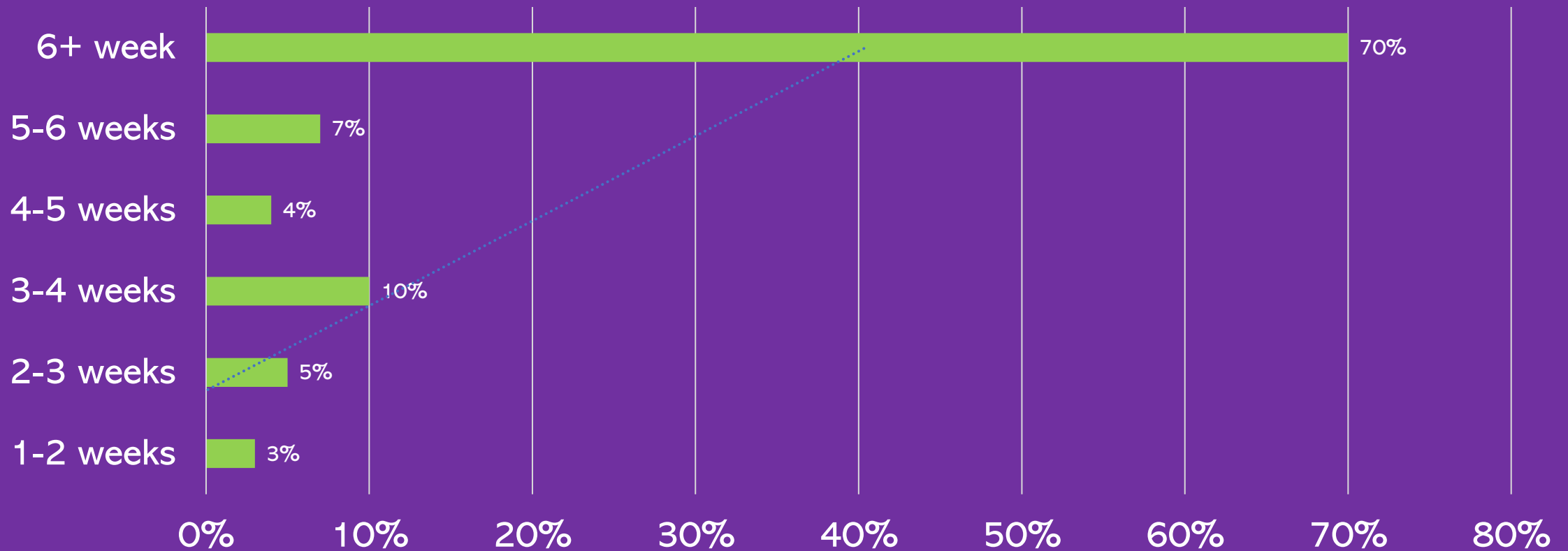


“

We are not given adequate time to "bid" for work, allowing for a full case to be put forward to avoid just submitting a tender which can only be evaluated on price.

There is a difference between tendering and bidding. Further up the chain, main contractors bid for work; specialists are not afforded that luxury owing to them being devalued and are forced to just submit tenders.

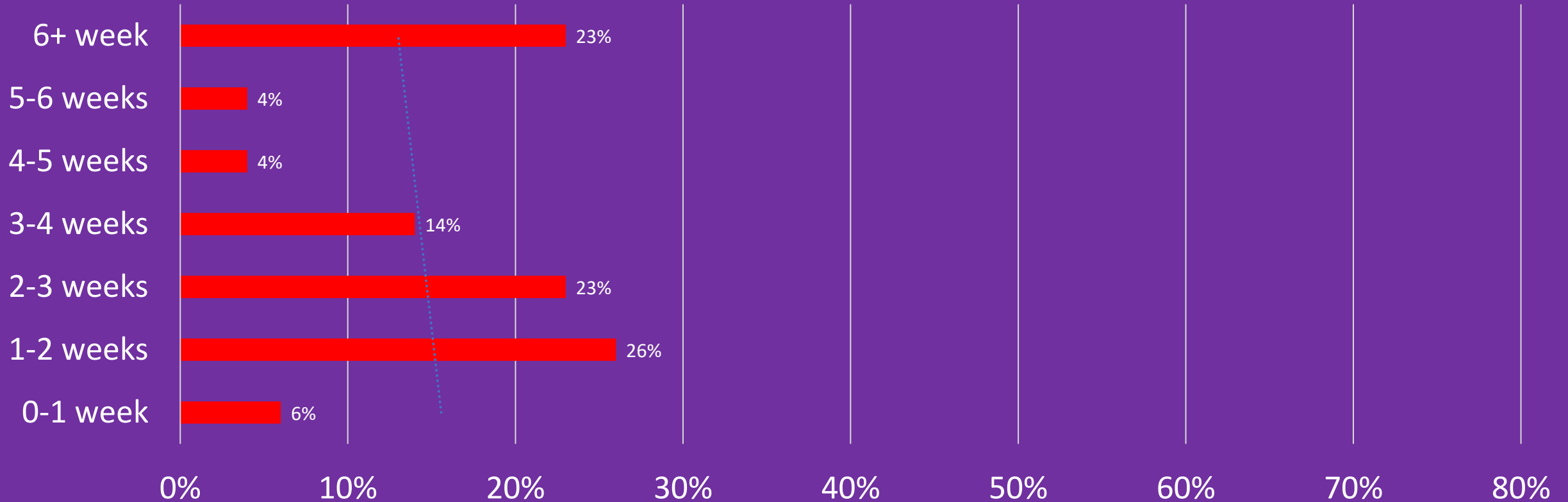
Time: Lead time to contract award



Source: [The Reading Report](#)

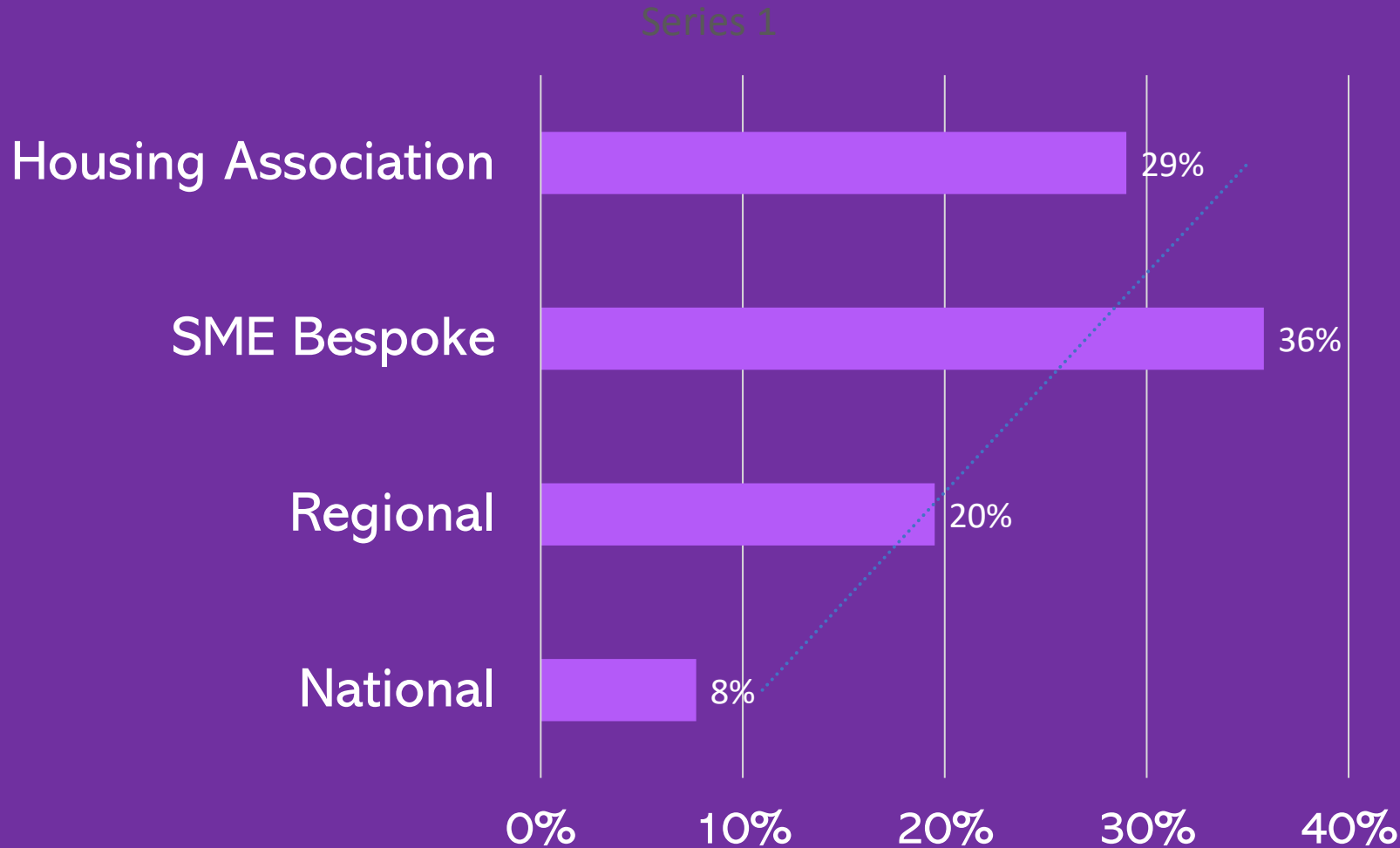


Time: Contract to start on site



Source: [The Reading Report](#)

PRICE: How often are you asked to cut price after award (NEVER)?



CASH:

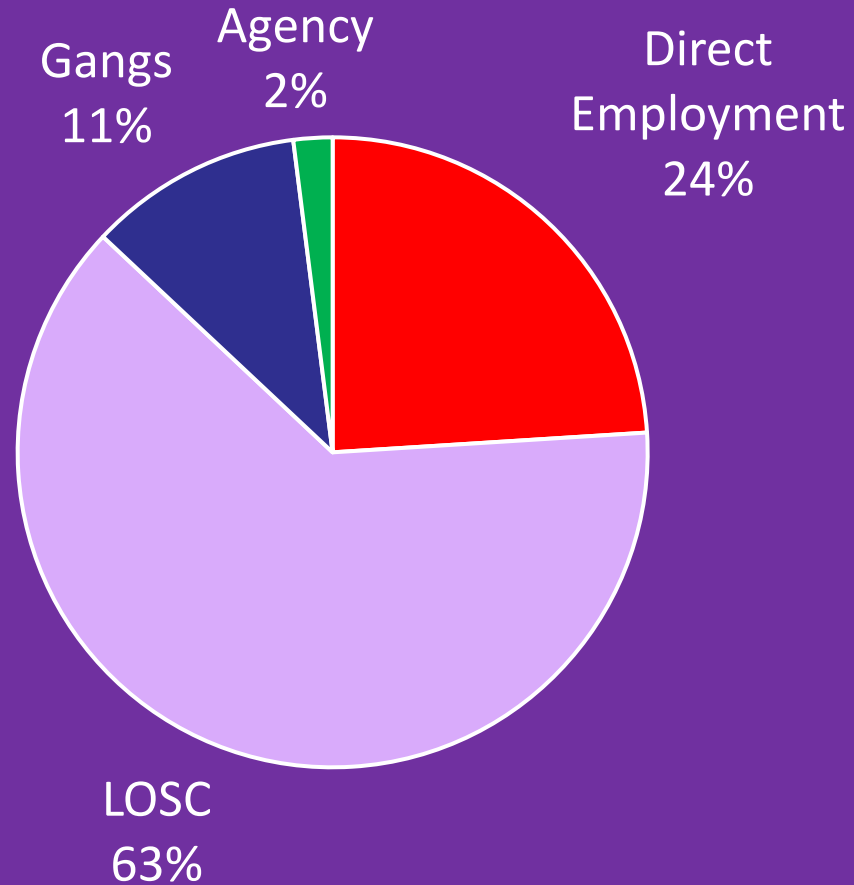
From BuildUK Construction Sector Payment Performance

- Two house builders are the worst payers
- Average 46% of invoices paid late
- Combined “late and disputed payments in the last reporting period from just these two

£500 million

Source: Finishes and Interiors Sector Housing Report 2026

Modern Methods of Procurement



“Reliance on contingent forms of labour is an issue of commercial reality rather than preference but has a detrimental impact on the training culture... To invest in a directly employed workforce would render many firms uncompetitive given the limited focus on genuine and enduring collaborative relationships that procurement practices allow.”

Professor Stuart Green, The Reading Report into Procurement in Construction

“

We as a company would like to take on more trainees, due to tight site programs and H&S conditions getting more harsh it's an impossibility to have the time to teach anyone, the labour we have on site has not got time to teach or look after any new trainees, the programs are too tight.

*“Ingrained behaviours and practices in the current approach to **procurement** and **contracting** have a serious detrimental impact on productivity, quality, safety and ultimately undermine investment”*

**Professor Stuart Green, The
Reading Report**

*‘Nothing short of combined legislative interventions across **prompt payment**, project bank accounts, responsible **procurement**, self-employment v PAYE **incentives**, workforce licensing, more stringent building regulations and a consumer rights revolution will force the necessary change at an industry-wide level.’*

Mark Farmer, ITB Review