

Mark Woodward-Smith, Systech International's Group Managing Director for UK and Europe, comments on NBS survey on disputes in the construction industry.

*"Our workload is evenly spread between project services and claims/disputes. We are helping contractors to prevent claims and disputes on their projects by running pre-start workshops for the delivery team to make sure they understand their obligations and any particularly unusual aspects of the contract. We recommend that these sessions are attended by the client team, reinforcing a collaborative approach and establishing good channels of communication. For our claim and dispute resolution appointments we use our in-house visualisation service to prepare high impact animations and video to highlight the key points for the decision makers in an executive summary style format, to facilitate discussion and resolution and avoiding the need for formal proceedings".*

## Disputes rife between clients and main contractors

Survey shows almost half of respondents have been in at least one dispute over past 12 months

Construction firms have been urged to quit their litigious ways and to collaborate more, after a new survey shared exclusively with Building revealed disputes were still rife in the industry.



The survey compiled by the National Building Specification (NBS) found the two most common causes of dispute in the industry were disagreements over extension of time and the value of final accounts, cited by 50% and 44% of respondents respectively.

The lion's share of disputes is between clients and main contractors, according to 76% of respondents, while 29% said they had been involved in a dispute between a main contractor and a subcontractor.

The survey was taken by 981 respondents across the construction industry, including consultants and advisers (60%), contractors (25%) and clients (15%).

Almost half of respondents (44%) said they had had to deal with at least one dispute over the past 12 months, with one in ten dealing with three or more.

Speaking to Building, Adrian Malleon, head of research, analysis and forecasting at NBS, said disputes in construction were "almost a normal way of working".

He said: "It's more of a cultural feature of the construction sector that disputes are almost a normal way of working. The fact that the number of disputes hasn't gone down is disappointing but perhaps predictable.

"The construction industry - and delivery for clients - would be better if firms were less litigious and if disputes were addressed as early as possible. Engaging in collaborative working can only be helpful."

Malleson added that some survey respondents claimed contractors submitted sub-economic tenders, with “disputes being used as a way to get some margin”.

Other issues in dispute included loss and expensive, defective work, withholding payment, contractor’s design work and engineers’ instructions.

The survey shows that while a majority of respondents used collaboration in some or all of their projects in the last 12 months, 38% said they didn’t collaborate at all.

These findings were despite the fact respondents said collaboration had a number of benefits.

Just under 90% said collaboration was used for high value projects, with 48% using collaboration on low value projects.

Regarding BIM, 58% said their organisation recognised it as being contractually binding.

Reference: By Tonsof Farah, <http://www.building.co.uk/news/disputes-rife-between-clients-and-main-contractors/5078565.article>