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THE NEW FINANCE MANDATE

Why technology is critical for meeting the evolving role of finance in construction

A new era for construction finance

The demands placed on finance teams in construction businesses have intensified in recent years. Rising costs, persistent margin pressure, increasing insolvencies and greater regulatory scrutiny have reshaped the role of finance from a transactional function into a strategic cornerstone of the business.

Today's finance teams are expected not only to process subcontractor payments accurately and on time, but also to provide real-time insight into cashflow, manage compliance with tax and payment legislation, support ESG reporting, and protect the long-term health of the supply chain. In doing so, they play a direct role in determining whether projects progress smoothly or become mired in disputes and delays.

Based on research among senior financial decision makers in medium to large construction firms, this whitepaper explores how well-equipped finance teams are to meet these demands, the risks created by outdated processes, and why technology is now essential to building resilient, profitable construction businesses.

We reveal a disconnect between what is expected of construction finance teams and the resources available to them. Despite managing increasingly complex projects and extensive subcontractor networks, finance and subcontractor ledger teams remain small, heavily reliant on manual processes, and under significant operational pressure. This combination exposes businesses to unnecessary financial, legal, and supply chain risk.

The findings point to an urgent need for change. Technology – specifically dedicated subcontractor payment management platforms – has emerged as a critical enabler of productivity, visibility and resilience. Despite the critical importance of technological advancements, there is evidently still some hesitancy from those across the built environment to adopt automated software. This may well be the biggest barrier for the industry's decision makers to overcome, but it is one that must be hurdled. Organisations that embrace digital transformation will be better equipped to manage risk, meet compliance requirements, improve supply chain relationships and deliver on strategic priorities.

Who we surveyed

Payapps, a provider of cloud-based software for managing construction payment claims, partnered with Censuswide to carry out an online survey of 162 senior financial decision makers in construction firms with £75m+ revenue in the UK and and €86.5m+ in the Republic of Ireland between 27th October 2025 and 4th December 2025.

Turnover

UK	
£75 million - £99.99 million	46%
£100 million - £499.99 million	38%
£500 million or over	16%

Ireland	
€86.5 million - €114.99 million	64%
€115 million - €574.99 million	32%
€575 million or over	4%

Employees

	UK	Ireland
50-99 employees	5%	4%
100-249 employees	23%	30%
250-299 employees	38%	42%
300-399 employees	16%	16%
400-500 employees	10%	6%
More than 500 employees	8%	2%

Typical project value

£500,000 - £999,999	6%	2%
£1 million - £4.99 million	37%	56%
£5 million - £9.99 million	36%	28%
£10 million - £50 million	14%	8%
Over £50 million	1%	0%
Unsure	6%	6%

Sector

Civil engineering	4%	2%
Facilities management & services	21%	14%
Fit-out	6%	8%
General contractor	36%	52%
Housebuilding & residential	11%	0%
Mechanical or industrial	9%	2%
Modular construction	7%	12%
Property developer	4%	8%
Rail & infrastructure	1%	2%
Utilities	1%	0%

Volume of subcontractors in supply chain

Less than 50	12%	6%
50 - 100	25%	14%
101 - 200	25%	26%
201 - 300	11%	22%
301 - 400	6%	6%
401 - 500	20%	22%
Unsure	1%	4%

Job title

Chief Financial Officer (CFO)	31%	50%
Group Finance Director	8%	0%
Finance Director	14%	24%
Head of Finance	12%	6%
Head of Business Reporting	10%	6%
Head of Financial Services	3%	4%
Group Financial Controller	13%	10%
Financial Controller	9%	0%

CHAPTER 1

The role of finance functions in medium-large construction businesses

Finance teams are expected to do more with less

At its core, the role of finance in construction is about control and confidence. Finance teams are responsible for managing productivity and efficiency across high-volume subcontractor payments, maintaining tight cost control in an industry defined by slim margins and mitigating risk across cashflow, compliance, and supply chain stability.

Ultimately, finance functions are relied upon to ensure profitability, resilience, sustainability, and growth. However, the scale of this responsibility stands in stark contrast to the size of the teams delivering it.

On average, construction organisations manage 210[1] subcontractors but employ just five[1] people in their finance or subcontractor ledger teams. Even as turnover increases into the £100m–£499.99m range, teams grow only marginally, averaging six staff.[1] Capacity is clearly not scaling in line with project complexity, subcontractor volume, or regulatory burden.

210

average number of subcontractors

5

average size of finance/subcontractor ledger teams

This imbalance has consequences. When small teams are stretched thin, time is consumed by administration rather than analysis. Risk becomes harder to spot early. Strategic decision-making gives way to reactive firefighting. Over time, this increases exposure to errors, disputes, and cashflow shocks.

Consequently, incorrect payment calculations and subsequent disputes can often delay payments and hold up projects. Similarly, inaccuracies due to manual inputting of data can create additional difficulties for anyone projecting final accounts or managing cashflow.

To meet the demands of their role without undue errors or increasing headcount, finance teams need processes that scale. This is where technology becomes not just helpful, but essential.

[1]Mean

CHAPTER 2

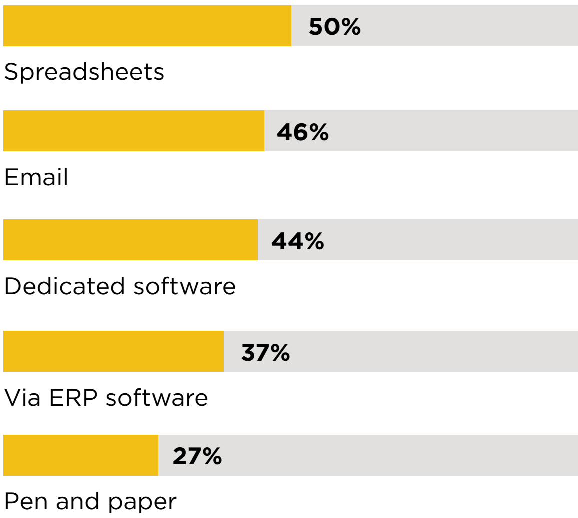
Current technology use

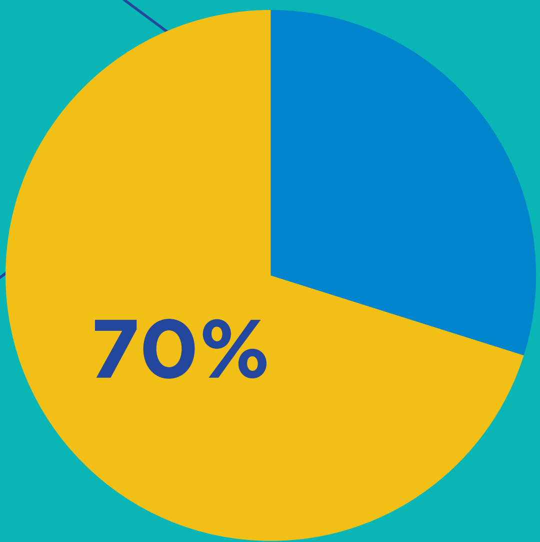
Legacy tools compromising visibility, efficiency and control

Despite the pressures facing finance teams, the research highlights a significant technology gap. Many businesses still rely on manual or semi-manual tools to manage subcontractor payment claims, perhaps because they are hesitant to adopt new systems or technology due to assumptions on cost or nervousness about whether the relevant system will benefit them more than the one they are currently using.

Half (50%) of respondents use spreadsheets to manage subcontractor payments, nearly half (46%) rely on email and more than a quarter (27%) still use pen and paper. While familiar, these tools were never designed to manage complex, high-volume, multi-project payment processes. Prone to errors, duplication, and version control issues, they create administrative bottlenecks and make it difficult to maintain robust audit trails or achieve real-time visibility into cashflow.

How do you/your team manage your subcontractor payments?





70% of respondents who use dedicated subcontractor payment software use Payapps

Meanwhile, although the fact that almost 2 in 5 (37%) respondents report using ERP software, it's worth noting that these systems are often broad financial platforms rather than construction-specific solutions. As a result, they frequently lack the functionality required to manage subcontractor payment claims, approvals, compliance checks and reporting in an integrated way.

Under half (44%) of organisations use dedicated subcontractor payment software, highlighting a significant transformation opportunity for the majority of construction businesses. These organisations benefit from more streamlined workflows, improved accuracy and compliance, faster approval cycles and clearer visibility across projects and subcontractors.

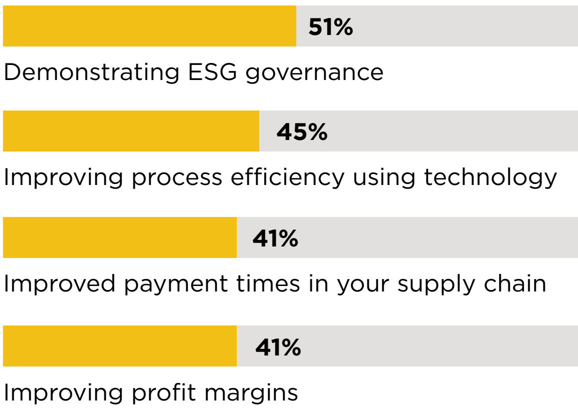
CHAPTER 3

Finance priorities

Strategic finance depends on technology

Businesses urgently need to address the technology gap. Over the next 24 months, survey respondents identify their top priorities as demonstrating ESG governance (51%), improving process efficiency using technology (45%), improving payment times across supply chains (41%) and improving profit margins (41%).

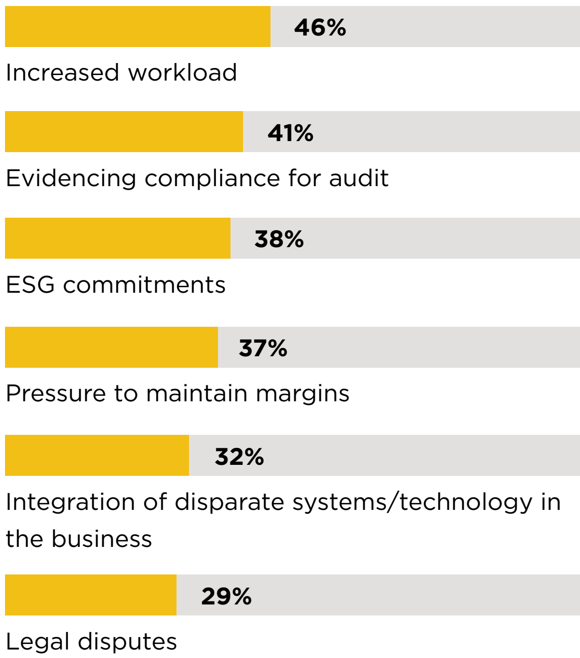
What are your business priorities, if any, over the next 24 months?



Together, these priorities reflect the commercial and strategic role of finance functions in construction. Yet finance teams are expected to deliver against these objectives while contending with a growing raft of operational, regulatory and capacity challenges.

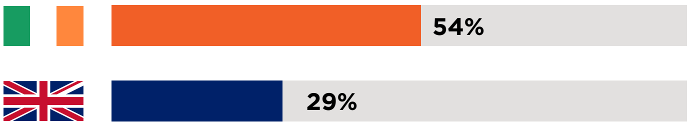
Increased workloads are the most commonly cited issue (46%), followed closely by the need to evidence compliance for audit (41%) and meet ESG commitments (38%). Pressure to maintain margins affects more than a third of respondents, while system integration issues and legal disputes further compound the strain.

What challenges do you face in your role, if any?



These pressures are not uniform across regions. In the Republic of Ireland, 54% of respondents cite margin pressure, compared to just 29% in the UK – highlighting how external conditions can further intensify risk.

% of respondents under pressure to maintain margins



Purpose-built technology can help alleviate these pressures by streamlining workflows and automating repetitive tasks to reduce workload, strengthening compliance and improving visibility – allowing finance teams to shift their focus from administration to strategic delivery.

The findings support this. In fact, almost half (48%) of Payapps users surveyed prioritise improving profit margins over the next 24 months, compared to under 2 in 5 (37%) non-tech users surveyed. Similarly, almost 3 in 5 (59%) tech users surveyed prioritise ESG governance, compared to under half (44%) of non-tech users. This suggests that digital maturity enables finance teams to contribute more meaningfully to long-term business objectives.

CHAPTER 4

Productivity under strain

Admin overload is blocking strategic finance

The operational impact of the challenges finance teams face is clear in how finance departments spend their time. Given the average ratio of staff to subcontractors (5:210)[1], productivity and efficiency are critical – not only for performance, but for staff wellbeing and retention.

Survey respondents report spending large portions of their working week on administrative tasks. According to respondents in both the UK and Republic of Ireland, managing self-billing agreements, inbound payment enquiries and subcontractor insurances each account for 17-18 hours per week on average[1], while respondents in the Republic of Ireland state processing payments processing payments for payment claims[2] consumes 16 hours.

As a result, concern levels are high. In fact, 7 in 10 (70%) respondents in the Republic of Ireland are concerned[3] about the amount of time their team spends on subcontractor payment claim admin and enquiries day-to-day. These tasks are necessary, but they leave little time for much else.

Technology provides a clear path to relief by automating high-volume, rules-based tasks such as payment processing, managing and chasing self-billing agreements, compliance checks, and subcontractor communications. By reducing errors and the need to rekey data while creating a single source of truth, digital tools like Payapps free finance teams to shift their focus from administrative firefighting to higher-value activities like insight generation, forecasting, and strategic decision-making.

[1]Mean
[2]ROI respondents only.
[3]'Very concerned' and 'Somewhat concerned' responses combined.
[4] UK and ROI respondents.

? How much time do finance teams/ subcontract ledger teams spend on the following per week?

18 hours per week[1]	Management and chasing of self-billing agreements[4]
18 hours per week[1]	Dealing with inbound enquiries from subcontractors / chasing the status of their payment[4]
17 hours per week[1]	Management and chasing (admin) of subcontractor insurances[4]
16 hours per week[1]	Processing payments for payment claims from subcontractors[2]

CHAPTER 5

Risk, visibility and financial resilience

Limited visibility is opening construction businesses up to financial and regulatory risk

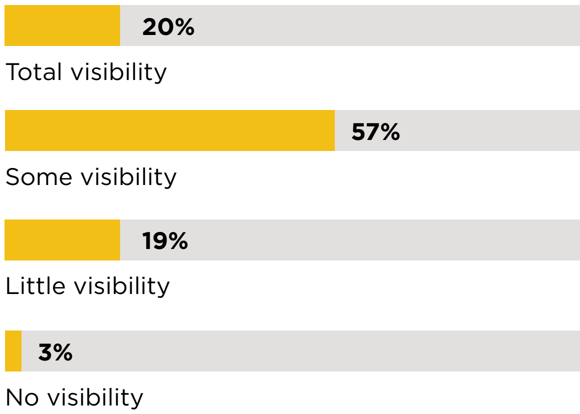
In an industry defined by tight margins and volatile conditions, resilience depends on visibility. Yet many finance teams lack a clear, real-time view of subcontractor payment obligations.

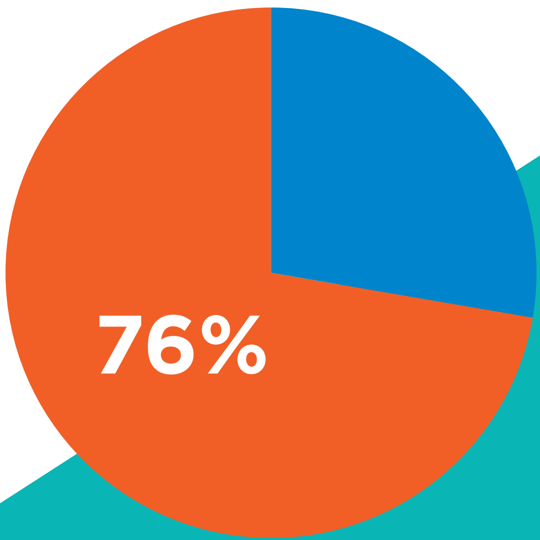
Only 20% of all respondents say they have total visibility over payment claims before they are approved by commercial teams, while over a fifth (22%) of respondents report little or no visibility at all.[1]

This lack of insight directly undermines cashflow forecasting, which is reflected in the fact that just over three quarters (76%) of respondents in the Republic of Ireland are concerned[2] about limited visibility into cash requirements for subcontractor payment claims and the impact on cashflow forecasting.

[1]'Little visibility' and 'No visibility' responses combined.
[2]'Very concerned' and 'Somewhat concerned' responses combined.

What level of visibility, if any, do you have over the payment claim process before payments are approved by your commercial team?

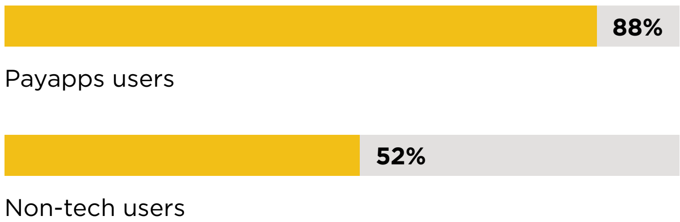




Of respondents in Ireland are concerned[2] about limited visibility into cash requirements for subcontractor payment claims and the impact on cashflow forecasting

In fact, over 7 in 10 (72%) respondents in the Republic of Ireland are concerned[2] about incorrect VAT and CIS tax treatment being applied during the payment claim process.

% of respondents who say their current processes/systems make it easy to produce accurate reporting on subcontractor payment practices



Regulatory compliance presents further challenges. While most construction businesses are able to meet existing contractual and regulatory requirements, confidence quickly diminishes when change is introduced. Three quarters (75%) of all respondents say they find it easy[3] to meet contractual and regulatory deadlines under the Irish Construction Contracts Act and UK Construction Act, ensuring payments remain compliant. However, under a quarter (23%) are very confident that their current payment processes could quickly adapt to external regulatory changes or internal strategic shifts affecting payment timescales.

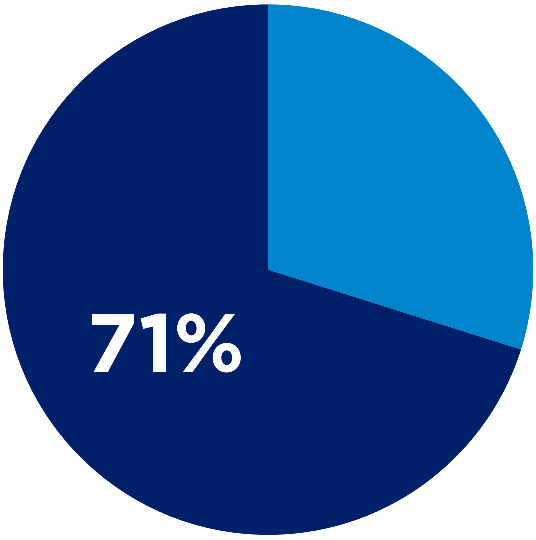
[3]'Very easy' and 'Somewhat easy' responses combined.

Current systems are also underdelivering when it comes to reporting. Almost a third (31%) of all respondents say their current processes/ systems do not make it easy to produce accurate reporting on subcontractor payment practices.

Technology again proves decisive. For example, almost 9 in 10 (88%) Payapps users say their current processes/systems make it easy to produce accurate reporting on subcontractor payment practices, compared to only around half (52%) of non-tech users.

CHAPTER 6

Finance functions and supply chain stability



Of UK respondents say their company is a signatory of the Fair Payment Code

Payment performance defines supply chain resilience

Although finance teams do not manage the supply chain alone, they do control the flow of money that keeps it moving. Prompt, accurate payment can be the difference between a stable project and one disrupted by disputes and insolvencies.

Almost all respondents (98%) say paying subcontractors promptly is a business priority[1], with almost half (46%) saying this is always a priority.

Meanwhile, most (71%) UK respondents say their company is a signatory of the UK Fair Payment Code.

The findings suggest that mitigating supply chain risk is a key driver behind this commitment, with organisations citing the importance of enhancing supplier relationships (34%) and protecting their supply chain by reducing subcontractor insolvency risk (38%). UK respondents also highlight the role of fair and timely payment in maintaining project momentum (24%) and minimising payment-related disputes and legal challenges that can lead to costly delays (22%).

[1]'Yes, always' and 'Yes, sometimes' responses combined.

However, good intent does not always translate into outcomes.

The UK Fair Payment Code operates a tiered award system designed to recognise strong payment performance across the supply chain.

However, signing up is not legally mandatory, meaning contractors, subcontractors and business owners have the freedom to disregard its principles.

The research shows that while many businesses have signed the Fair Payment Code, they are unlikely to be listed as awardees due to a significant gap between aspiration and performance.

Based on current payment practices, none of the UK organisations surveyed would qualify for a Gold, Silver, or Bronze award under the Fair Payment Code. The maximum proportion of invoices paid within 30 days reported by UK respondents is 80%, and just 15%[2] say they pay more than half of their invoices within 30 days, highlighting the scale of the challenge facing the industry.

While Ireland does not operate an equivalent to the UK Fair Payment code, it's interesting to note that Irish business surveyed would also be unlikely to qualify, as just 18%[2] say they pay over half of their invoices within 30 days, with the maximum percentage of invoices being paid within this timeframe being 80%.

This gap makes improving subcontractor payment timeliness a critical priority for finance teams, as delays do not just undermine fair payment commitments but materially increase the risk of disputes, adjudications and significant financial exposure.

Businesses can apply for one of three awards based on how promptly they pay invoices:

GOLD
Businesses pay at least 95% of all invoices within 30 days.

SILVER
Businesses pay at least 95% of invoices to small businesses (under 50 employees) within 30 days, and all other invoices within 60 days.

BRONZE
Businesses pay at least 95% of all invoices within 60 days.

[2]Percentage of invoices paid within 30 days = 51-60%, 61-70% and 71-80%

Overall, respondents report an average[3] of 7 subcontractor adjudications over the past three years, with average[3] legal costs of around £2 million.

A King's College London report[4] revealed the biggest cause of adjudications and disputes was inadequate contract administration.

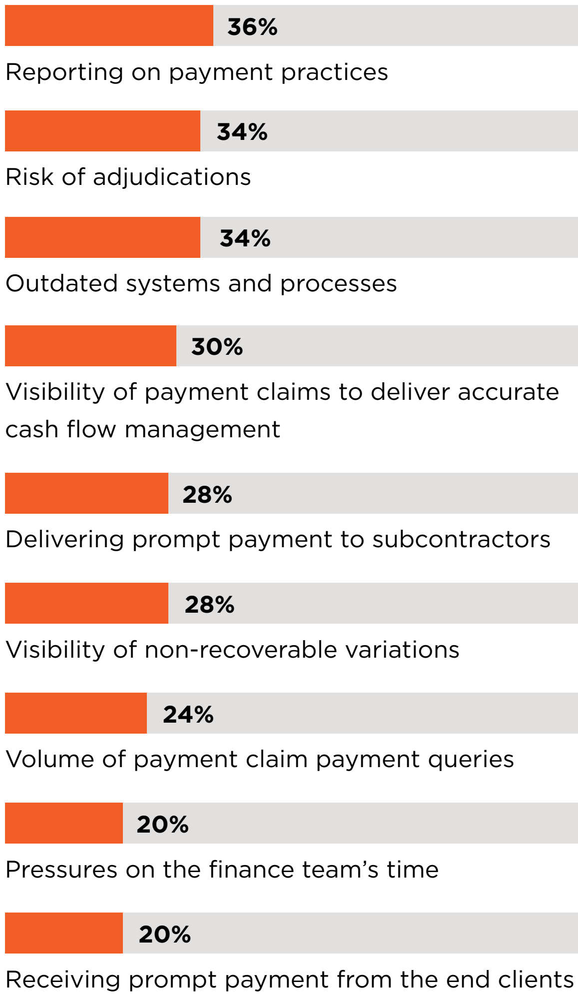
According to the study, this was the lead cause of disputes in 50% of the adjudication cases. However, the scale of adjudication risk does not always translate into faster payments, as finance teams are frequently constrained by operational and systemic pressures that limit their ability to prioritise timely payment.

Notably, just over a third (34%) of respondents in the Republic of Ireland say outdated systems and processes are the biggest payment challenge they currently face, highlighting the role of digital transformation in enabling finance teams to prioritise prompt payments.

Once again, technology emerges as a clear enabler in overcoming these constraints. The findings reveal that digitally enabled finance teams are more likely to embed prompt payment as a consistent business priority.

*ROI respondents only

What are the biggest payment challenges you currently face, if any?

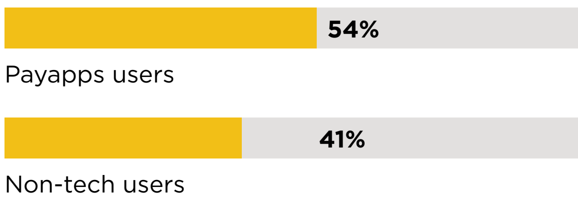


7 **Average[3] no. of subcontractor adjudications in the last 3 years[2]**

£2 million

average[3] legal costs associated with adjudication/managing subcontractor payment disputes over the last 3 years

% of Payapps users vs. non-tech users who say paying subcontractors promptly is always a business priority



[3]Mean

[4]2024 Construction Adjudication in the United Kingdom: Tracing trends and guiding reform, Kings College London

CHAPTER 7

Technology as a catalyst for change

Purpose-built payment management systems are no longer optional

When asked how subcontractor payment management could be improved, respondents in the Republic of Ireland consistently point to capabilities enabled by technology: data-driven reporting, early identification of financial risk, automated ERP integration, transparent audit trails and automated approval workflows.

The industry is aligned on the importance of digital transformation. Just over 4 in 5 (81%) of all respondents believe payment software would make their business more efficient[1], and just over 9 in 10 (91%) say technology implementation is important[2] to improving construction processes.

81% **Of all respondents say subcontractor payment management software does/ would make their business more efficient[1]**

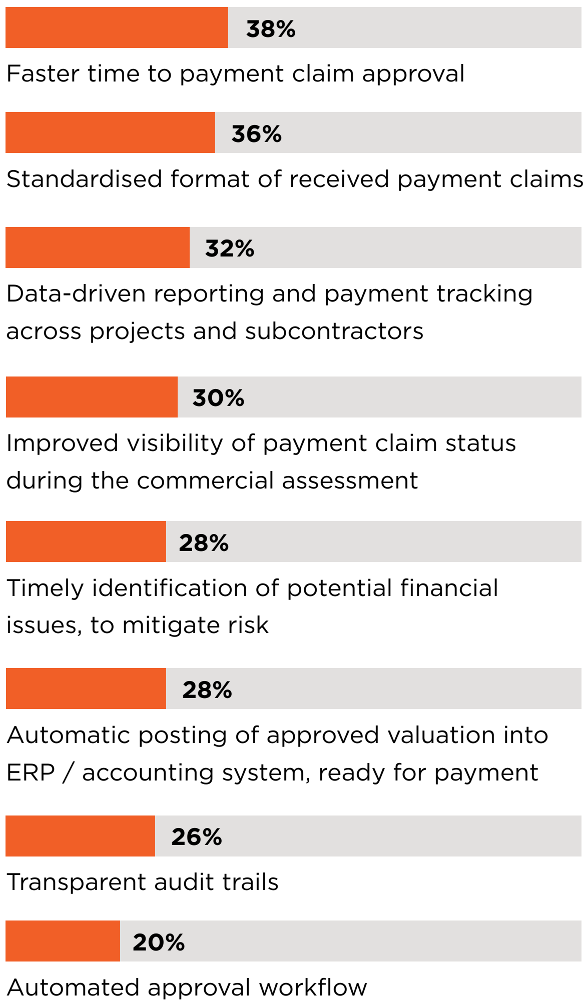
91% **Of all respondents think technology and software implementation is important[2] to improving processes in the construction industry.**

Meanwhile, the data shows that the industry recognises the urgent need for digital transformation. Among those not yet using dedicated software, nearly two thirds (63%) of all respondents plan to introduce it within the next six months.[3]

These findings underscore a clear shift in mindset. Technology is no longer viewed as an optional enhancement, but as a foundational requirement for managing risk, supporting growth, and protecting margins in an increasingly complex environment.

*ROI respondents only

How could the management of subcontractor payments be improved?[1]



[1]'Much more efficient' and 'Somewhat more efficient' responses combined.

[2]'Very important' and 'Somewhat important' responses combined.

[3]'In less than a month, please specify in weeks', 'In 1-2 months', 'In 3-4 months' and 'In 5-6 months combined'.

Key takeaways for finance leaders

The research highlights a clear shift in both the expectations placed on construction finance teams and the tools required to meet them. Together, they paint a picture of a function at a critical inflection point.

The role of finance in construction has fundamentally changed
Finance teams are no longer responsible solely for processing payments. They are now central to protecting margins, managing risk, supporting ESG governance, and maintaining supply chain stability.

Responsibility has outpaced capacity
Despite managing large and complex subcontractor networks, finance and subcontractor ledger teams remain small, creating structural pressure and increasing exposure to operational, financial and regulatory risk.

Manual and fragmented processes are undermining performance
Continued reliance on spreadsheets, email, and non-specialist systems limits visibility, slows decision-making, and increases the likelihood of errors, disputes and compliance failures.

Administrative overload is preventing finance teams from operating strategically
Significant time is absorbed by payment administration and enquiries, leaving insufficient capacity for forecasting, risk analysis and proactive management.

Limited visibility directly threatens margins and resilience
Poor insight into payment obligations, cashflow requirements, tax treatment and reporting increases uncertainty and heightens the risk of adjudications and financial loss.

Payment performance is a critical supply chain risk lever
While intent to pay subcontractors promptly is high, execution often falls short – resulting in disputes, legal costs and weakened supplier relationships.

Technology materially improves outcomes
Digitally enabled finance teams demonstrate better productivity, stronger reporting and compliance, improved visibility and a greater ability to prioritise prompt payment.

Digital transformation is no longer optional
With the majority of organisations recognising the need for change and many planning to adopt dedicated payment software imminently, technology has become a foundational requirement for sustainable growth and financial resilience in construction.

Looking ahead, the construction businesses best positioned to navigate margin pressure, regulatory change and supply chain volatility will be those that empower finance teams with the visibility, automation and control they need to operate strategically. By investing in purpose-built technology today, organisations can move beyond reactive administration and build finance functions capable of supporting resilience, performance and long-term growth.

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About Payapps

Payapps, an Autodesk company, offers a cloud-based collaboration tool for the construction industry. It helps contractors and subcontractors simplify and expedite the assessment of payment claims, including variations and retention. A simpler and faster digital process ensures greater transparency, increased accuracy, improved compliance, reduced financial risk, fewer disputes and fairer outcomes.

Payapps significantly cuts payment claim processing time, helping to meet regulatory requirements. Compliance is improved and made easier with documentation verification integrated with the assessment process. Seamless integration with a wide range of project, construction and financial management software helps provide real-time data on all project payment requests and approvals.

For more information about using Payapps to submit, assess and approve payment claims, visit payapps.com