

# Welcome to the Newest Tariff on Facilities Management

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Just as trade tariffs add hidden costs to goods, the uncertainty around those tariffs is acting like a new hidden levy on UK facilities management and the ecosystem surrounding the sector. When global trade policy shifts suddenly, facilities teams face unpredictability in budgets, procurement and projects.

Imported parts and supplies can jump in price overnight, and long-term contracts become hard to nail down. CPiO's latest research into small and medium enterprise (SME) finance teams shows that this policy uncertainty is stalling capital investment and even day-to-day planning across industries.

The lesson for FM leaders? Stability and clarity on trade rules are as valuable to running a building or campus as a cost-cutting grant.

## The Toll on FM Planning and Procurement

Faced with shifting tariffs and geopolitical surprises, facilities managers report multiple stress points:

- **Budget Freeze:** 68% of SME finance leaders say recent tariff changes have hit short- and medium-term investment plans hard. In FM terms, that means delayed upgrades, such as new heating systems, security installations or energy retrofits might be put on hold while teams “wait and see” how costs shake out.
- **Pipeline Shrinkage:** Over half (56%) of firms have seen their sales pipeline fall by up to 40% since tariffs began. This can easily translate into postponed service contracts or a reduced demand for new projects, as belts are tightened.

- **Supply-Chain Risk:** 70% of finance heads report higher supply-chain risk since tariffs were announced. Facilities managers feel this as delays and price swings for everyday essentials which may now be routed through longer, more expensive channels or subject to sudden border fees.

- **Internal Indecision:** Nearly half of firms admit finance teams can't reliably model the future or make firm decisions, citing leadership indecision as a barrier. In practical terms, FM teams find themselves delaying supplier bids, extending contracts or pausing investment in smart building tech, simply because the picture could change with the next policy announcement.

These findings (all from the CPiO survey of 250 UK SME finance leaders) illustrate that tariff uncertainty trickles down into facility management decisions. A new fridge or security upgrade isn't just about the unit price; it's about how soon it arrives, who can install it, and whether the budget line holds steady. Unclear trade rules turn every procurement meeting into a guesswork exercise.

### FM Leaders Want Clarity, Not Handouts

Importantly, the research shows business leaders aren't asking for bailouts; rather, they want clear signals. FM professionals need long-term certainty on trade policy so they can plan confidently. This means smarter policymaking, one that puts long-term trade certainty ahead of short-term political posturing. In other words, firms, from plants to cleaning contractors, just want a dependable framework and the stability to project 5-year maintenance budgets, or to negotiate multi-year service agreements, without fearing a sudden cost shock.

This means government and industry bodies should prioritise early communication when trade rules change. FM is already dealing with Brexit and Covid hangover effects, as well as energy price volatility; adding surprise tariffs or export levies on top can cripple carefully timed renovation plans. For instance, if a new trade deal suddenly adds a 10% levy on steel, building managers face tough choices on in-progress construction. Rather than looking to government for immediate grants, FM budgets would be better served by advance notice of such changes, plus coordinated guidance on how to adapt contract terms or source alternatives.

### Building Resilience in FM

If uncertainty is the new tariff, then resilience is the antidote. CPiO's analysis finds that businesses ready to modernise will fare better. For facilities management, this means investing in flexibility from a diversify in suppliers, through to flexible contracting, while engaging deeper into data and forecasting and detailed scenario planning, such as "what-if" scenarios for key projects.

In essence, facilities professionals need the confidence to move forward now, not wait for perfect conditions. The research shows that waiting rarely helps. When businesses pause decision-making, indecision quickly becomes the default. Capital sits idle, opportunities are missed and confidence erodes. By seeking clarity from policymakers and building internal agility, FM leaders can break that cycle.

### Lead with Certainty

The foundation of facilities management is predictability, across the environment, the costs, the service levels. Global trade turbulence has made that predictability elusive. Finance decision-makers need the triple antidote of clarity, early guidance and proactive government engagement.

In practical terms this means pressing executives and industry associations to demand that clarity, for coherent trade rules that let estates plan, and contracts and investments go ahead without fear.