


TRANSFORMING PAYMENT PERFORMANCE



Fair and transparent payment practices are essential for a successful construction industry. The combined impact of the COVID-19 pandemic and Brexit means that maintaining cashflow throughout the supply chain is more important than ever. Build UK has been benchmarking the largest companies in the sector on their payment performance since 2018 which has proved an essential catalyst for changing the industry culture around payment and resulted in substantial improvement, particularly amongst Build UK members.


The story so far



“No Build UK main contractor members pay bills within 30 days”
July 2018



“Nearly a third of major contractors paying faster than 30 days”
August 2021



“Half of main contractors now paying in 30 days or less”
February 2022

March 2016 >>	April 2017 >>	July 2018 >>	October 2018 >>	July 2019 >>	July 2020 >>	January 2022 >>
Need for change With a culture of late payment holding the industry back, Build UK Chief Executive Suzannah Nichol calls on leaders within the sector to change the way they do business.	Key legislation introduced The Duty to Report on Payment Practices and Performance comes into force, providing a consistent means of comparing payment performance across the largest companies in the sector.	Setting the benchmark Build UK launches its payment performance table , highlighting the average time taken by Contractor members to pay invoices, as well as the percentage of invoices paid within terms.	The next step The Build UK payment performance table is expanded to include Client and Specialist Contractor members, providing a more rounded picture of payment within the industry.	Adding a new metric For the first time, Build UK includes within its payment performance table the percentage of invoices paid within 60 days to reflect the increasing use of this metric within the industry.	A comprehensive picture The payment performance table is expanded further to include non-members, providing a holistic overview of performance across the entire construction supply chain.	Continual improvement The transparency provided by Build UK’s payment performance table is changing the industry culture around payment and Build UK members are leading the way with significant improvements in their payment terms.

DRIVING CHANGE

Build UK’s bi-annual publication of the key results submitted under the Duty to Report regulations provides a comprehensive picture of payment performance across the sector. Since July 2018, Build UK Contractor members have improved significantly across the board.

“The Build UK model has been widely praised...as a good model for trade organisations across other sectors to adopt...to identify poor performing businesses and put commercial pressure on those businesses, raise awareness of the need to pay promptly, and drive improvements in their payment behaviour.”

Statutory Review of the Reporting on Payment Practices and Performance Regulations, April 2022



Average time to pay invoices

Was: **45** days

Now: **32** days



Invoices paid within agreed terms

Was: **61**%

Now: **82**%



Invoices paid within 60 days

Was: **82**%

Now: **95**%