


TRANSFORMING PAYMENT PERFORMANCE



Fair and transparent payment practices are essential for a successful construction industry. With the industry dealing with inflationary pressures not seen in the UK for 40 years, 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 2023
Need for change	Key legislation introduced	Setting the benchmark	The next step	Adding a new metric	A comprehensive picture	Members hit 30 days
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.	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.	Build UK launches its payment performance table , highlighting the average time taken by tier one Contractor members to pay invoices, as well as the percentage of invoices paid within terms.	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.	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.	The payment performance table is expanded further to include non-members, providing a holistic overview of performance across the entire construction supply chain.	Build UK's tier one Contractor members are now taking an average of 30 days to pay invoices, proving the transparency provided by the payment performance table is changing industry culture around payment.

DRIVING CHANGE

Build UK's bi-annual publication of the key results submitted under the Duty to Report Regulations provides a detailed picture of payment performance in construction. Since 2018, Build UK's tier one Contractor members have improved significantly across the board.

“Build UK has shown great leadership in reporting payment performance, which has clearly helped to transform behaviour in the sector. Despite the challenging business environment of the last few years, its Contractor members have delivered a significant result in reducing payment terms to an average of 30 days.”

Dr David Hancock, Infrastructure & Projects Authority



Average time to pay invoices

Was: **45** days

Now: **30** days



Invoices paid within agreed terms

Was: **63**%

Now: **80**%



Invoices paid within 60 days

Was: **82**%

Now: **94**%