

# 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.

## The story so far



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

July 2018



**“Build UK contractors cut average payment times to 40 days”**

August 2019



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

August 2021

**March 2016**

### 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.

**April 2017**

### 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.

**July 2018**

### 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.

**October 2018**

### 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.

**July 2019**

### 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.

**July 2020**

### 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.

**January 2022**

### Continual improvement

The transparency provided by Build UK's payment performance table is proving a catalyst for changing the industry culture around payment despite the ongoing challenges presented by COVID-19 and Brexit.



## 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.

“Our benchmarking of payment performance has resulted in significant changes in behaviour within the industry. The results over the last three years show that construction is serious about changing the way it does business and Build UK members are leading the way.”

Jo Fautley – Build UK Deputy Chief Executive



**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**%