

TRANSFORMING PAYMENT PERFORMANCE




Fair and transparent payment practices are essential for a successful construction industry, and the challenging market in recent years has meant 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 over the last five years, 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



“Over two thirds of main contractors now paying in 30 days or less”
January 2024

March 2016	April 2017	July 2018	October 2018	July 2019	July 2020	January 2023
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 tier one 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.	Members hit 30 days 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 consistent picture of payment performance in construction. Since 2018, Build UK's tier one Contractor members have improved significantly across the board.

“This is a great example of a trade organisation positively influencing payment practices in its sector. This kind of thought leadership drives payment improvements that are so crucial to the survival of small businesses in construction and their ability to grow and thrive.”
Liz Barclay, Small Business Commissioner



Average time to pay invoices
Was: **45** days

Now: **29** days



Invoices paid within agreed terms
Was: **63** %

Now: **84** %



Invoices paid within 60 days
Was: **82** %

Now: **95** %