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Build UK Contractor Members Average 30-Day Payment Terms

The latest results submitted under the Government's *Duty to Report on Payment Practices and Performance* show that Build UK Contractor members are now taking an average of 30 days to pay invoices.

The 30-day threshold for payment is seen as significant, especially for businesses within the supply chain facing cash flow pressures, which have been exacerbated by high inflation. It also corresponds to the maximum payment term required by public sector organisations as set out in the Public Contracts Regulations 2015.

Build UK has been benchmarking its members on their payment performance since 2018 and they have shown substantial improvement in that time. Tier one Contractor members have reduced their average payment time from 45 to 30 days and now pay 94% of invoices within 60 days, up from 82% five years ago.

The Build UK payment performance table has proved an essential catalyst for changing the industry culture around payment, and the Government's report on the statutory review of the Duty to Report published last year praised Build UK's approach as '*a good model for trade organisations across other sectors to adopt...[to] raise awareness of the need to pay promptly, and drive improvements in payment behaviour*'.

Dr David Hancock, Construction Director at the Infrastructure and Projects Authority, said:

"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, which is a huge step towards the Government's target to pay all suppliers within 30 days and clearly shows the effectiveness of transparent payment reporting."

Jo Fautley, Deputy Chief Executive of Build UK, said:

"This is a great result for construction and proof that the sector is changing the way it does business. There is still room for improvement, but we've seen consistent progress by our tier one Contractor members year on year since Build UK began benchmarking payment performance, and hitting the 30-day threshold is hugely significant, particularly for the supply chain where cash flow is more critical than ever. We hope that the culture of prompt payment continues to spread throughout the sector."

~ Ends ~

Further Information

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Notes to Editors

1. [Build UK](#) is the leading representative organisation for the UK construction industry. Bringing together Clients, Contractors, Trade Associations representing a wide range of Specialist Contractors, and other organisations committed to industry collaboration, Build UK represents in excess of 40% of UK construction.
2. Build UK has been benchmarking the payment performance of its members since July 2018, and information for more than 100 of the industry's largest companies is available in our [payment performance table](#).
3. An overview of the progress that has been made on payment practices within the sector can be found in our [infographic](#).
4. Gov.uk provides more information on the [Duty to Report on Payment Practices and Performance](#).
5. The Government's [report](#) of the statutory review of the Reporting on Payment Practices and Performance Regulations was published in April 2022.
6. The Government has announced a [Payment & Cash Flow Review](#), which includes a [consultation](#) on the Reporting on Payment Practices and Performance Regulations to determine whether they should be extended beyond 6 April 2024.
7. The [Public Contracts Regulations 2015](#) require all public sector organisations to pay undisputed invoices in 30 days, and information for central Government departments is available on the [Build UK website](#).