

Payment Action Plan

Objective of the Plan

The company acknowledges that the UK Government is seeking to improve payment practices within the United Kingdom.

Bucher Municipal Limited has current published statistics that are outside of the stated objective to have all invoices paid within 60 days from receipt of the invoice.

This plan sets out the steps we intend to take to bring our payment practices in line with these requirements.

Current Status

In the last two published six-month payment periods we declared:

1. within 30 days: 8% & 11%
2. in 31 to 60 days: 42% & 42%
3. in 61 days or more : 50% & 47%
4. due but not paid by the last date for payment under agreed contractual terms: 81% & 82%

A significant number of our suppliers are paid on 60 days End of Month Terms; this is an average of 75 days as the payment relates to all invoices received in the month in one payment. Invoices with dates on the first of the month are effectively paid in 90 days and invoices on the 30th in 60 days. This therefore is an average of 75 days.

These terms are negotiated by mutual consent.

In addition for most suppliers we pay on the first day of the following month rather than the last day of the month; this explains the high number of invoices (around 80%) that are not paid by the last day.

Improvement Plan

Over the next three years we aim to review supplier terms relating to Government contracts with the aim of bringing these terms in line with the 60 day from receipt of invoice maximum payment period.

These changes will be introduced in stages and will prioritise the following categories:

Phase 1 - Highways England Contracts

- Small UK based suppliers
- Other UK based suppliers
- Overseas based suppliers

Phase 2 – Other major UK Government Contracts

- Small UK based suppliers
- Other UK based suppliers
- Overseas based suppliers

The progress of the improvement plan will be reported via the UK Government payment practices website.

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