

Annex H - Highways England's Fair Payment Charter



Highways England Fair Payment Charter

Fair and transparent payment practices are essential to achieving successful integrated working on all contracts. Highways England, working with its suppliers in good faith and in a spirit of mutual trust and respect, is committed to meeting the principles of fair payment.

As a supplier to Highways England, we agree that we will strive to meet the Fair Payment commitments set out below. We will additionally seek to embed the principles throughout our supply chain*.

- Companies have the right to receive correct full payment as and when due. Deliberate late payment or unjustifiable withholding of payment is ethically not acceptable.
 - 'Fair Payment' will apply equally between the client and lead contractor and throughout the supply chain.
- a)
- The process will be transparent and members of the supply chain will have certainty of how much and when they will be paid.
 - Companies will consider, where appropriate, operating relevant contracts on an open book basis.
 - The correct payment will represent the work properly carried out, or products supplied, in accordance with the contract. Any withholding of payment due to defects or non-delivery will be proportionate and demonstrably justified in line with arrangements made at the time of contract.
- b)
- To ensure effective and equitable cash flow for all those involved, all contracts will provide for regular payments and have payment periods not exceeding 30 days, from receipt of invoice.
- c)
- In order to avoid payment delays, the client and all supply chain members will agree payment procedures at the outset of their contracts. Payment will be through electronic BACS transfer and will apply throughout the supply chain
- d)
- Monitoring compliance with the Charter principles will be built into the Highways England "Collaborative Performance Framework "for performance measurement" (or any other performance measurement tool used).

*This charter aims to align with the principles outlined by the Office of Government Commerce in its "Guide to Best Fair Payment Practice". It is not intended to be a legally binding document and will not be used in construing any contractual commitment.

*Suppliers who have not already signed up to their commitment to work towards delivering the requirements of this charter will be expected to do so prior to award of any Highways England contract.

*It is recognised that Suppliers to Highways England may require an introductory period to modify their business systems and procedures in line with the charter commitments.

Company name

Representative's name

Signature

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Position

Date