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To: All Chief Executives at Strategic Health Authorities in England
All Chief Executives at Special Health Authorities in England
All Chief Executives at NHS Trusts in England
All Chief Executives at Primary Care Trusts in England

Gateway Ref: 10753

Dear colleague,

21 October 2008

You will be aware that earlier this month the Prime Minister committed all Government Departments to pay suppliers as soon as possible, and within 10 days. This is in direct response to the risk of business failure arising from the increasing instance of late payment.

Although central Government Departments can and do make a difference, NHS organisations are significant economic forces in their local communities. As a result you can make a huge difference to local business survival by ensuring that your payment practices are speedy, transparent and consistent.

The NHS has already improved its supplier payment performance significantly against the current 30-day target.

However, I am now asking you to examine and review existing payment practices and payment performance – and to move as closely as possible to the ten-day payment commitment that has been set for Government Departments wherever practical.

At this time, I would also want to remind you of the key role that your organisation has in the strength and success of your local community that goes beyond providing quality health services to your public and patients. As a significant employer and purchaser of goods and services, you are well placed to support the economic status and overall sustainability of your communities.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Nicholson', with a long horizontal flourish extending to the right.

David Nicholson CBE
NHS Chief Executive