

Report to:	QSMTM
Report by:	Helen Gardner-Swift, Head of Corporate Services (HOCS) Kim Berry, Finance and Administration Manager (FAM)
Meeting Date:	12 May 2020
Subject/ Title: (and VC no)	CR Time taken to pay suppliers – 2020-21 VC150495
Attached Papers (title and VC no)	None

Purpose of report

1. The purpose of this Committee Report is to
 - (i) inform the Senior Management Team (SMT) about the time taken to pay suppliers in 2020-21
 - (ii) inform the SMT of any issues arising regarding supplier payment times.

Recommendation and actions

2. I recommend
 - (i) the SMT note this CR
 - (ii) the CR is published in full in accordance with paragraph 19.

Executive summary

3. We are committed to the CBI Prompt Payment Code for the payment of invoices for goods and services received. This voluntary initiative to improve payment performance and support businesses further was introduced on 1 October 2009. The aim is to ensure suppliers are paid within 10 working days of receipt of invoice.
4. We have a Key Performance Indicators (KPIs) to pay 95% of undisputed invoices within 10 days or receipt or fewer and 100% of undisputed invoices within 30 days or fewer. We aim to ensure payment reaches the suppliers bank account on day 10 therefore payment must be made within 9 working days of receipt.
5. These KPI measures are set out under Operational Efficiency in the Performance and Quality Framework 2020-21.
6. Performance for 2020-21 is as follows:

Performance Measure:	Actual % (number)	Comments
95% / (number) of undisputed invoices settled in 10 days or fewer	98.81% (336)	Objective Achieved
100% of undisputed invoices settled in 30 days or fewer	100% (336)	Objective Achieved

7. Analysis of undisputed invoices for 2020-21 where payment time was more than 10 working days:

No.	Date Received	Date Paid	Working Days	Supplier	Reason for delay (if known)
1	29/10/20	12/11/20	10	Opendata	Staff availability to authorise
2	03/12/20	17/12/20	10	Law at Work	Staff availability to authorise
3	03/12/20	17/12/20	10	Anderson Strathern	Staff availability to authorise
4	03/12/20	17/12/20	10	C2	Staff availability to authorise

8. Achievement against our KPI performance measure for 2020-21 (98.81%) is slightly down on 2019-20 performance (99.01%). However, it should be noted that:
- (i) of the 336 invoices received in 2020-21, only 4 invoices were paid late (5 – 2019-20)
 - (ii) due to the office closure there has been a reduction in the number of invoices received: 336 - 2020-20, 503 - 2019-20 (this has also affected the KPI performance slightly too).
 - (iii) during the transition to remote working (as part of the business continuity arrangements) and the implementation of revised procedures, all invoices were paid within 9 working days.
9. A report on our performance under the above KPIs will be included in the Annual Report 2020-21.

COVID-19 pandemic

10. The SMT activated temporary business continuity arrangements due to the impact of the COVID-19 pandemic on the work of our office and our office premises have been temporarily closed since 23 March 2020. As a result, not all members of staff were able to work remotely until the first part of Q2. All members of staff are now working remotely with remote access to our office systems.
11. Revised arrangements for the checking, approval, authorisation and payment of invoices are in place and are working very well. The FAM and the Administrator have ensured that these arrangements are robust, efficient and effective and their work on the revised procedures should be particularly noted. In addition, ensuring that as many invoices as possible are paid within 10 working days is a superb achievement.

Risk impact

12. The prompt payment of invoices under the CBI Prompt Payment Code and in line with our KPIs mitigates the risk of not meeting our Operational Plan aims and helps us to ensure that we are providing a quality service.

Equalities impact

13. None identified.

Privacy impact

14. None identified.

Resources impact

15. None identified.

Operational/ strategic plan impact

16. Ensuring the prompt payment of invoices falls within the Resource Management “business as usual” actions for the HOCS in the Operational Plan 2020-21.

Records management impact (including any key documents actions)

17. None.

Consultation and Communication

18. None at this time.

Publication

19. I recommend that this CR is published in full.