

<b>Report to:</b>	QSMTM Q4
<b>Report by:</b>	Helen Gardner-Swift, Head of Corporate Services (HOCS) Kim Berry, Finance and Administration Manager (FAM)
<b>Meeting Date:</b>	26 May 2023
<b>Subject/ Title:</b> (and VC no)	CR Time taken to pay suppliers – 2022-23 VC186891
<b>Attached Papers</b> (title and VC no)	None

## Purpose of report

- The purpose of this Committee Report (CR) is to
  - inform the Senior Management Team (SMT) about the time taken to pay suppliers in 2022-23
  - inform the SMT of any issues arising regarding supplier payment times.

## Recommendation and actions

- I recommend
  - the SMT note this CR
  - the CR is published in full in accordance with paragraph 17.

## Executive summary

- In accordance with the Scottish Public Finance Manual (SPFM), payments by relevant public sector organisations should be made in accordance with the Scottish Government target for the payment of invoices within 10 working days of their receipt. Many suppliers should, therefore, receive payment in advance of their contractually agreed terms.
- We have Key Performance Indicators (KPI) which are in accordance with the SPFM requirements and these require us to pay 95% of undisputed invoices within 10 days of receipt or fewer and 100% of undisputed invoices within 30 days or fewer.
- These KPI measures are set out under Operational Efficiency in the Performance and Quality Framework 2022-23.
- Performance for 2022-23 is as follows:

Performance Measure:	Actual % (number)	Comments
95% / (number) of undisputed invoices settled in 10 days or fewer	99.37% (316)	Objective Achieved
100% of undisputed invoices settled in 30 days or fewer	100% (318)	Objective Achieved

7. Analysis of undisputed invoices for 2022-23 where payment time was more than 10 working days:

No.	Date Received	Date Paid	Working Days	Supplier	Reason for delay (if known)
1.	13/09/2022	29/09/2022	12	Precise	Delay passing for authorisation
2.	13/09/2022	29/09/2022	12	Total Gas	Delay passing for authorisation

8. Achievement against our KPI performance measure for 2022-23 (99.37%) is an improvement from 2021-22 performance (99.05%). It should be noted that:

- of the 318 invoices received in 2022-23, only 2 undisputed invoices were paid outside the 10 day period (3 – 2021-22)
- there was a slight increase in the number of invoices received in 2022-23 compared to the previous financial year, 2021-22.

Financial Year	No of invoices received
2022-23	318
2021-22	316
2020-21	336
2019-20	503

9. Ensuring that as many invoices as possible are paid within 10 working days is an excellent achievement and a report on our performance under the above KPIs will be included in the Annual Report 2022-23.

### COVID-19 pandemic

10. Our priority as an organisation is to continue to provide services and guidance while safeguarding the health, safety and wellbeing of our members of staff.
11. Following the temporary closure of our office premises in 2020, revised arrangements for the checking, approval, authorisation and payment of invoices were put in place. Our office premises re-opened in May 2022 with hybrid working in place and the FAM and the Administrator have ensured that these arrangements continue to be robust, efficient and effective.

### Risk impact

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12. The prompt payment of invoices 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 robust, efficient and effective service.

### Equalities impact

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13. None identified.

## Privacy impact

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14. None identified.

## Resources impact

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15. None identified.

## Operational/ strategic plan impact

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16. Ensuring the prompt payment of invoices falls within the Resource Management “business as usual” actions for the HOCS in the Operational Plan 2022-23.

## Records management impact (including any key documents actions)

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17. None.

## Consultation and Communication

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18. None at this time.

## Publication

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19. This CR should be published in full.