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| <b>Title of Report:</b>                    | <b>Prompt Payment Statistics</b> |
| <b>Committee Report Submitted To:</b>      | <b>Finance Committee</b>         |
| <b>Date of Meeting:</b>                    | <b>12 October 2023</b>           |
| <b>For Decision or For Information</b>     | <b>For information</b>           |
| <b>To be discussed In Committee YES/NO</b> | <b>No</b>                        |

|  |   |
|--|---|
| <b>Linkage to Council Strategy (2021-25)</b> |   |
| Strategic Theme                              | Cohesive Leadership   |
| Outcome                                      | Council has agreed policies and procedures and decision making is consistent with them. |
| Lead Officer                                 | Chief Finance Officer   |

|                                    |               |
|------------------------------------|---------------|
| <b>Budgetary Considerations</b>    |               |
| Cost of Proposal                   |               |
| Included in Current Year Estimates | <b>YES/NO</b> |
| Capital/Revenue                    | Revenue       |
| Code                               |               |
| Staffing Costs                     |               |

|                                  |               |
|----------------------------------|---------------|
| <b>Legal Considerations</b>      |               |
| Input of Legal Services Required | <b>YES/NO</b> |
| Legal Opinion Obtained           | <b>YES/NO</b> |

|  |  |        |       |
|--|--|--------|-------|
| <b>Screening Requirements</b>            | Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals. |        |       |
| Section 75 Screening                     | Screening Completed:   | Yes/No | Date: |
|  | EQIA Required and Completed:   | Yes/No | Date: |
| Rural Needs Assessment (RNA)             | Screening Completed  | Yes/No | Date: |
|  | RNA Required and Completed:  | Yes/No | Date: |
| Data Protection Impact Assessment (DPIA) | Screening Completed:   | Yes/No | Date: |
|  | DPIA Required and Completed:   | Yes/No | Date: |

## **1.1 Background**

Department for communities (DfC) requires Council to record and publish statistics regarding the payment of supplier invoices with specific reference to two distinct measures namely invoices paid within 10 working days and invoices paid within 30 calendar days.

## **1.2 Detail**

These figures are published on a quarterly basis by DfC with Councils required to do likewise. The purpose of the statistics is to encourage Councils to support businesses especially those local and/or small businesses for whom cash flow is of vital importance to their continued survival. In addition as part of Council's performance improvement plan for this year the payment of our suppliers has been identified as one of the performance improvement objectives with a target of 90% of suppliers being paid within 30 calendar days. The tables below detail Council's performance since April 2020 the latest data being for quarter 2 of 23/24 year being up to and including end of September 2023. The implementation of the new Finance system at 1 April has had a negative impact on these statistics however we can see they have begun to recover in quarter 2, that improvement continuing slowly during September and it is anticipated that this improvement will continue.

## **1.3 Improvement Actions**

The statistics will continue to be reviewed over the coming months to ensure this decline continues to be reversed and performance should be improved to pre-implementation levels and better with the enhancements of the new system taking effect. During September 88% of invoices were paid within 30 days.

| Prompt Payment Statistics 2020/2021     |              |              |              |              |              |  |
|---|--------------|--------------|--------------|--------------|--------------|--|
|   | Q1           | Q2           | Q3           | Q4           | Total        |  |
| Total No of Invoices                    | 3424         | 5544         | 5802         | 6296         | 21066        |  |
| Total amount paid                       | £ 5,602,247  | £ 10,310,263 | £ 10,622,455 | £ 17,216,296 | £ 43,751,261 |  |
| Number of invoices paid within 10 days  | 2414         | 3804         | 4308         | 4087         | 14613        |  |
| % of invoices paid within 10 days       | 70.50%       | 68.61%       | 74.25%       | 64.91%       | 69.37%       |  |
| Number of invoices paid within 30 days  | 2846         | 4951         | 5184         | 5383         | 18364        |  |
| % of invoices paid within 30 days       | 83.12%       | 89.30%       | 89.35%       | 85.50%       | 87.17%       |  |
| Number of invoices paid outside 30 days | 578          | 593          | 618          | 913          | 2702         |  |
| % of invoices paid outside 30 days      | 16.88%       | 10.70%       | 10.65%       | 14.50%       | 12.83%       |  |
| No. of Disputed Invoices                | 10           | 82           | 102          | 57           | 251          |  |
| % of disputed invoices                  | 0.29%        | 1.48%        | 1.76%        | 0.91%        | 1.19%        |  |
| Average Payment Days                    | 15.52        | 13.85        | 16.26        | 17.06        | 15.74        |  |
|   |              |              |              |              |              |  |
| Prompt Payment Statistics 2021/2022     |              |              |              |              |              |  |
|   | Q1           | Q2           | Q3           | Q4           | Total        |  |
| Total No of Invoices                    | 5830         | 6442         | 7117         | 6567         | 25956        |  |
| Total amount paid                       | £ 12,255,753 | £ 14,938,664 | £ 11,824,362 | £ 16,652,683 | £ 55,671,462 |  |
| Number of invoices paid within 10 days  | 4139         | 4113         | 5240         | 4331         | 17823        |  |
| % of invoices paid within 10 days       | 70.99%       | 63.85%       | 73.63%       | 65.95%       | 68.67%       |  |
| Number of invoices paid within 30 days  | 5447         | 5886         | 6613         | 5893         | 23839        |  |
| % of invoices paid within 30 days       | 93.43%       | 91.37%       | 92.92%       | 89.74%       | 91.84%       |  |
| Number of invoices paid outside 30 days | 383          | 556          | 504          | 674          | 2117         |  |
| % of invoices paid outside 30 days      | 6.57%        | 8.63%        | 7.08%        | 10.26%       | 8.16%        |  |
| No. of Disputed Invoices                | 32           | 26           | 48           | 28           | 134          |  |
| % of disputed invoices                  | 0.55%        | 0.40%        | 0.67%        | 0.43%        | 0.52%        |  |
| Average Payment Days                    | 15.80        | 17.23        | 15.27        | 16.81        | 16.27        |  |
|   |              |              |              |              |              |  |
| Prompt Payment Statistics 2022/2023     |              |              |              |              |              |  |
|   | Q1           | Q2           | Q3           | Q4           | Total        |  |
| Total No of Invoices                    | 6461         | 6090         | 6825         | 6265         | 25641        |  |
| Total amount paid                       | £ 17,214,458 | £ 17,078,164 | £ 12,851,511 | £ 35,804,964 | £ 82,949,097 |  |
| Number of invoices paid within 10 days  | 4446         | 3487         | 4806         | 4628         | 17367        |  |
| % of invoices paid within 10 days       | 68.81%       | 57.26%       | 70.42%       | 73.87%       | 67.73%       |  |
| Number of invoices paid within 30 days  | 5872         | 5267         | 6252         | 5829         | 23220        |  |
| % of invoices paid within 30 days       | 90.88%       | 86.49%       | 91.60%       | 93.04%       | 90.56%       |  |
| Number of invoices paid outside 30 days | 589          | 823          | 573          | 436          | 2421         |  |
| % of invoices paid outside 30 days      | 9.12%        | 13.51%       | 8.40%        | 6.96%        | 9.44%        |  |
| No. of Disputed Invoices                | 33           | 35           | 61           | 20           | 149          |  |
| % of disputed invoices                  | 0.51%        | 0.57%        | 0.89%        | 0.32%        | 0.58%        |  |
| Average Payment Days                    | 16.24        | 18.55        | 15.92        | 14.28        | 16.22        |  |
|   |              |              |              |              |              |  |
| Prompt Payment Statistics 2023/2024     |              |              |              |              |              |  |
|   | Q1           | Q2           | Q3           | Q4           | Total        |  |
| Total No of Invoices                    | 6512         | 7155         |              |              | 13667        |  |
| Total amount paid                       | £ 23,864,802 | £ 14,062,221 |              |              | £ 37,927,023 |  |
| Number of invoices paid within 10 days  | 3675         | 5221         |              |              | 8896         |  |
| % of invoices paid within 10 days       | 56.43%       | 72.97%       | #DIV/0!      | #DIV/0!      | 65.09%       |  |
| Number of invoices paid within 30 days  | 5398         | 6169         |              |              | 11567        |  |
| % of invoices paid within 30 days       | 82.89%       | 86.22%       | #DIV/0!      | #DIV/0!      | 84.63%       |  |
| Number of invoices paid outside 30 days | 1114         | 986          | 0            | 0            | 2100         |  |
| % of invoices paid outside 30 days      | 17.11%       | 13.78%       | #DIV/0!      | #DIV/0!      | 15.37%       |  |
| No. of Disputed Invoices                | 33           | 162          |              |              | 195          |  |
| % of disputed invoices                  | 0.51%        | 2.26%        | #DIV/0!      | #DIV/0!      | 1.43%        |  |
| Average Payment Days                    | 18.71        | 14.87        | #DIV/0!      | #DIV/0!      | 16.70        |  |