

Report to:	QSMTM Q4
Report by:	Kim Berry, Finance and Administration Manager (FAM)
Meeting Date:	31 May 2024
Subject/ Title: (and VC no)	CR Time taken to pay suppliers – 2023-24 VC208778
Attached Papers (title and VC no)	None

Purpose of report

1. The purpose of this Committee Report (CR) is to
 - inform the Senior Management Team (SMT) about the time taken to pay suppliers in 2023-24
 - 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 17.

Executive summary

3. 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.
4. 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.
5. These KPI measures are set out under Operational Efficiency in the Performance and Quality Framework 2023-24.
6. Performance for 2023-24 is as follows:

Performance Measure:	Actual % (number)	Comments
95% / (number) of undisputed invoices settled in 10 days or fewer	99.44% (358)	Objective Achieved
100% of undisputed invoices settled in 30 days or fewer	100% (360)	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.	14/08/2023	31/08/2023	14	Scottish Parliament	Delay between authorisation and payment
2.	04/09/2023	21/09/2023	14	DP&L	Delay between authorisation and payment

8. Achievement against our KPI performance measure for 2023-24 (99.41%) is a slight increase in performance from 2022-23 (99.37%). It should be noted that:

- of the 360 invoices received in 2023-24, only 2 undisputed invoices were paid outside the 10 day period (2 – 2022-23)
- there was an increase in the number of invoices received in 2023-24 compared to the previous financial year.

Financial Year	No of invoices received
2023-24	360
2022-23	318
2021-22	316
2020-21	336

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 2023-24.

Risk impact

10. 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

11. None identified.

Privacy impact

12. None identified.

Resources impact

13. None identified.

Operational/ strategic plan impact

14. Ensuring the prompt payment of invoices falls within the Resource Management “business as usual” actions for the HOCS in the Operational Plan 2023-24.

Records management impact (including any key documents actions)

15. None.

Consultation and Communication

16. None at this time.

Publication

17. This CR should be published in full.