

Supplier Invoice Payment Performance - Public Contracts Regulations 2015 (Reg.113)

In accordance with the Public Contracts Regulations 2015 (Regulation 113); Hertfordshire County Council publishes performance data for the financial year ending 31 March for payment of undisputed Supplier Invoices within 30 days.

This statutory requirement will be published on an annual basis for the previous financial year:

Public Contract Regulations 2015 - Hertfordshire County Council Annual Payment Performance

Financial Year	Percentage of invoices paid within 30 days	Interest (£'s) liable to be paid to suppliers	Interest (£'s) actually paid to suppliers	Number of invoices <u>not</u> paid within 30 days
2018/19	97.39%	£98,862.53	£0.00	863
2017/18	99.73%	£3,571.25	£0.00	888
2016/17	97.37%	£92,481.22	£0.00	4,877

Caveats

- Invoices recognised as late have been calculated using data extracted from our finance ledger SAP, based on the Document Date (the date on the invoice as opposed to date the invoice was received) and the payment date.
- Where invoices were in dispute, these have not been included in the figures above. However, invoices may be in dispute **before** being sent to Serco for processing, so may still appear as late if agreement was reached and the original invoice processed for payment. We would not expect to pay interest on these but there isn't a way to identify from the system. Further analysis would be done if a claim was received from the supplier.
- The interest calculation is based on the amount allowed under the regulations (8% + Base Rate) which currently comes to 8.75%. This is generally accepted as a maximum rate.
- When negotiating with customers for payments received late by the authority, there have been a number of challenges back that in the current economic climate of low base rates and low inflation, the interest allowed under the regulation was too generous. We have therefore allowed lower rates than the regulation.
- With the same view in mind, within contract signed by suppliers, in general clauses have been included to allow for 2% + base rate of interest to be claimed.
- Any interest to be paid will be based on claims made rather than paid automatically. No claims were made against the authority for the financial years 2016/17, 2017/18 or 2018/19.