

## Prompt Payment Action Plan

*ECS Engineering Services Ltd are committed to the fair treatment of all suppliers and subcontractors we engage, and we are striving to ensure that our payment statistics improve to meet the targets set out in Government Prompt Payment Guidance. This plan sets out our improvement actions*

***ECS have been signatories to the Small Business Commissioners Prompt Payment Code since October 2019***

Period	% Invoices paid within 30 days	% Invoices paid 31 to 60 days	% Invoices paid 61 days or more	<i>Despite falling below, the thresholds for formal reporting under government guidance, ECS commits to providing progress reporting to any interested clients seeking this information and allowing audit of our statistics and actions ECS will publish a summary of the action points via our website</i>
Q3/4 2022	7%	74%	19%	
Q1/2 2022	5%	72%	23%	

Action No.	Issue	Proposed resolution	Progress
1	Downstream prompt payment issues from our clients not adhering to the code	Conduct a detailed analysis of Prompt payment from our clients to demonstrate deviation from client PPC terms and address issues holding up downstream payments to ECS to maintain critical cashflow – add feedback on clients PPC performance to client KPI meetings	Initial analysis created for calendar year 2022 and integrated into some KPI meetings, summary report to clients being collated for mid 2023
2	Data capture point – missing information as invoice receipt date is not currently captured	Current PPC code uses analysis from the date of receipt of invoice. We regularly observe significant deviations from date of invoice receipt and actual date on the invoice. Our automated analysis cannot currently report on date of invoice receipt, so action is needed to capture this date within our financial system	Discussions ongoing to enhance process with Datafile it may be that we need to statistically adjust our numbers due to resourcing restrictions
3	Delays in Invoice query resolution	Disputed invoices can significantly impact payment times and lead to poor performance. All disputes to be logged on Freshdesk with milestones for prompt follow up and action	Completed mid 2022
4	Delays in GRN processing	All invoices that cannot be promptly resolved through the datafile GRN process should be logged on Freshdesk for follow up action	Freshdesk solution now used to log queries
5	Missing invoices causing virtual payment delays	Accounts team to request statements from our volume suppliers on a fortnightly basis and conduct gap analysis to identify any missing invoices promptly	Completed mid 2022
6	Payment run frequency – current payment runs are mid-month and month end	Plan for additional consolidated payment terms through the month – possible improvement by migrating to weekly payment runs	Weekly runs are currently undertaken manually, more resource may be needed to fully integrate a larger volume of transactions – under review
7	Legacy terms – historically ECS has negotiated extended	Smaller suppliers (often with 50 employees or less) are particularly at risk from poor payment – Suppliers of this size are to be identified (through Builders Profile) and accelerated terms prioritised.	Ongoing – Mid FY 23/24 target

	payment terms with regular suppliers	New supplier onboarding g to integrate this from first agreement of terms	
8	Legacy terms – volume suppliers skewing reporting numbers	Legacy volume suppliers with agreed terms beyond the window of the PPC are to be engaged to renegotiate supply agreements. A small number of suppliers provide a large number of small value invoices is skewing our reporting statistics. Prioritisation of improving payment performance for these accounts will dramatically improve our payment statistics percentages	Ongoing – roll out through FY 2023/24
9	Prompt Payment Code	ECS should appraise voluntary subscription to the prompt payment code following embedment of the above actions and suitable statistical reporting	Ongoing – to review end 2023



Nicola Bellamy (finance Director)  
13<sup>th</sup> January 2023