



# Procurement Policy Note – Publication of payment performance statistics

Action Note 03/16

21 March 2015

## Issue:

1. This PPN restates the annual publication requirements under regulation 113(7) of the Public Contracts Regulations 2015 (PCRs). After March 2016<sup>1</sup>, and then at the end of each financial year, contracting authorities are required to publish data demonstrating compliance with the obligation to pay invoices within 30 days to first tier suppliers/prime contractors over the previous 12 months.
2. The data should be freely available via the internet. Contracting authorities are to start publishing the required data for the financial year 2015/16.

## Dissemination and Scope:

3. The contents of this Action Note apply to all Central Government Departments including their Executive Agencies and Non Departmental Public Bodies, and wider public sector bodies including local authorities and NHS bodies (in-scope organisations). Please circulate this document (for action) within your organisation including, where relevant, to Executive Agencies and Non Departmental Public Bodies and to all contracting authorities for which you are responsible, drawing it to the attention of those with a payment role.
4. Exemptions from this requirement include: procurement of health care services for the purposes of the NHS within the meaning and scope of the National Health Service (Procurement, Patient Choice and Competition) (No. 2) Regulations 2013; and maintained Schools and Academies. Contracting authorities should however refer to the version of the PCRs currently in force to determine which contracts are covered<sup>2</sup>.

## Timing:

5. The provisions of this Action Note will take effect after March 2016.

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<sup>1</sup> Regulation 113(7) states that the information must be published in accordance with the contracting authority's financial year. This Action Note assumes a financial year ending in March, which is common amongst contracting authorities.

<sup>2</sup> Regulation 1(7) and (8) set out the extent and application of the PCRs and regulation 113(1) specifies the contracts that are exempt from the requirements of regulation 113.

## Action:

6. Regulation 113(7) of the PCRs 2015 introduced the following publication requirements:
  - After March 2016, all in-scope organisations must publish, on an annual basis and covering the previous 12 months, (i) the percentage of their invoices paid within 30-days and ii) the amount of interest paid to suppliers due to late payment.
  - After March 2017, all in-scope organisations must publish, on an annual basis and covering the previous 12 months, (i) the percentage of their invoices paid within 30 days ii) the amount of interest paid to suppliers due to late payment and iii) the total amount of interest that the contracting authority was liable to pay (whether or not paid and whether under any statutory or other requirement), due to a breach of Regulation 113.
7. The data should be freely available via the internet and maintained until replaced by a more recent set of statistics. Good practice would be to maintain the publication on the internet of all past years' data for comparison purposes.

## Background:

8. Regulation 113 of the PCRs requires all contracting authorities to pay undisputed invoices within 30 days and ensure this payment term is passed down the supply chain. Further guidance is available [here](#). Where undisputed invoices are not paid within 30 days, interest becomes payable as set out in the late payment legislation<sup>3</sup>.
9. Regulation 113(7) requires contracting authorities to publish on the internet each year statistics showing how they have complied with the obligation to pay undisputed invoices within 30 days to their first tier suppliers/prime contractors. Regulation 113(9) requires contracting authorities to have regard to guidance issued by the Minister for the Cabinet Office. This guidance is available [here](#). It includes a model template for publishing payment performance which is recommended for use. Alternative templates can be used if the same outcome is achieved.
10. The Mystery Shopper service will undertake spot checks to ensure that contracting authorities comply with these new publication measures.

## Contact:

11. Enquiries about this PPN should be directed to the Crown Commercial Service Helpdesk (telephone: 0345 410 2222, email [info@crowncommercial.gov.uk](mailto:info@crowncommercial.gov.uk))

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<sup>3</sup> This refers to the Late Payments of Commercial Debts (Interest) Act 1998, the Late Payment of Commercial Debts Regulations 2002 and the Late Payment of Commercial Debts Regulations 2013. See BIS guidance available [here](#).