



TRL Supplier Prompt Payment Action Plan August 2021

TRL are committed to paying all suppliers to contract terms.

TRL has a statutory duty to report on its payment practices and performance in each six-month reporting period.

Further detail and the TRL submission is available here:

<https://check-payment-practices.service.gov.uk/>

The government has set a standard of 95% of all supply chain invoices to be paid within 60 days. It is our ambition to consistently achieve the standard set by the government.

TRL although close to this target in the past (93%); the COVID-19 pandemic has caused a temporary drop in performance.

This action plan summarises the outcome of our review of payment practices and sets out the measures that we have put in place to take positive steps to improve this result.

IDENTIFY PRIMARY REASONS CAUSING THE SHORTFALL	ACTIONS TO ADDRESS
Like many businesses TRL has been impacted by the COVID-19 pandemic which has meant that spending by customers on traditional and existing projects was significantly reduced and in some cases paused entirely. During this time TRL carefully controlled its working capital to meet all of its obligations. Payments to SME's were prioritised.	In the current climate customer demand (and receipts) are increasing and TRL expects further improvement to its working capital. TRL are committed to returning to payment within contract terms for all suppliers.
TRL pays almost all suppliers by BACS (Bankers' Automated Clearing Services) on a weekly payment run. This is an efficient method of payment however, there are invoices that have slipped beyond payment terms as a result of this seven day payment cycle.	The finance team have reviewed the weekly report and amended it to ensure supplier invoices that are due in the days following the payment run are included.
Situations where invoices are being queried, are disputed or have errors can lead to a delay in payment being made to the agreed terms. The delay is caused by the need to engage with the suppliers and internal stakeholders to resolve.	To better assess the cause of invoice queries, the finance team has created a more detailed report which lists reasons for the delay in payment. This ensures finance has visibility of the status of these and can take necessary action as required. This is our commitment to ensure there is ownership of the value in dispute. Our aim is to resolve all queries in a fair and prompt manner through open communication with the supplier.
Invoices should be received electronically to a central finance mailbox. Any deviation from this can cause a delay to the processing of an invoice.	The finance team will continue to provide clear and accessible guidance on our payment procedures; particularly at distribution of the Purchase Order which will expediate payment. One of the simplest ways to ensure prompt payment is for all invoices to be submitted to a central mailbox purchaseledger@trl.co.uk .

On a quarterly basis the management team will review TRL's progress and performance in relation to the prompt payment of suppliers.

APPROVED BY

Alan Hardy
Finance Director