

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY C.S. ALVES OF ST. HELIER CENTRAL
QUESTION SUBMITTED ON MONDAY 16TH OCTOBER 2023
ANSWER TO BE TABLED ON MONDAY 23RD OCTOBER 2023**

Question

“Will the Minister state –

- (a) how many outstanding payments there are currently for invoices sent to Government that are over 30 days old;
- (b) what the total still owed by the Government to suppliers is due to the move to Connect;
- (c) whether any delay or failure from the Government to make payments within the normal terms and conditions has negatively impacted any local businesses; and
- (d) whether any such delays or failures contributed to any local businesses having to cease trading?”

Answer

- a) Since implementing Connect Finance/Ariba in January 2023 the Government has paid 135,000 invoices totalling £500 million. The Government pays over 4,000 invoices per week. Whilst payment performance was lower than our target in the first quarter, the Government returned to its target to pay 80% of invoices within 30 days from the second quarter.

There are currently 7,600 invoices in Connect Finance/Ariba over 30 days old. These invoices are progressing through the Connect Finance/Ariba system processes to obtain the necessary approvals prior to payment.

- b) There have always been a number of reasons why invoices remain outstanding, and this was equally true before Connect was implemented. Implementation of Connect has, in the initial months, contributed to delays in payments. However, that impact is reducing as we address implementation issues such as system, training and adoption. It is not possible to quantify the amount of delayed payments by cause.

For example, there are always some invoices for a preceding financial year that are paid in the following financial year. The Government has paid 98% of the invoices that have been received in 2023 relating to 2022.

- c) If a supplier or department identifies that delayed invoice payment could potentially impact a local business a process for escalation is followed.

The Government makes daily payment runs and is able to make same day priority payments into supplier bank accounts if it is identified that a delayed payment may impact a local business. This process for escalation has been in place for many years and mitigates the risk to local businesses.

- d) We do not believe that late payment has led to the insolvency of any local business. The escalation process means no local business should cease trading as a result of a delayed invoice payment.