
Commitment to Fair and Prompt Payment

POL-005

Our Commitment

John Graham Construction Limited (“GRAHAM”) believes that fair and prompt payment practices are essential to achieve successful integrated working on all projects.

As signatories, we comply with the principles of the UK Government’s Prompt Payment Code and are committed to paying our supply chain partners on time, to mutually agreed terms. In addition, GRAHAM Group companies will meet the ‘Fair Payment’ commitments set out below:

- Companies have the right to receive correct full payment as and when due.
- Deliberate late payment or unjustifiable withholding of payment is ethically not acceptable.
- The process will be transparent in order that members of the supply chain have certainty of how much and when they will be paid.
- Companies will consider, where appropriate, operating relevant contracts on an open book basis.
- The correct payment will represent the work properly carried out, or products supplied, in accordance with the contract. Any client arrangements for retention will be replicated on the same contract terms throughout the supply chain. Any withholding of payment due to defects or non-delivery will be proportionate and demonstrably justified in line with arrangements made at the time of contract.
- To ensure effective and equitable cash flow for all those involved, all contracts will provide for regular payments and equitable payment periods.
- In order to avoid payment delays, the client and all supply chain members will agree payment procedures at the outset of their contracts. Payment will be through electronic BACS transfer and will apply throughout the supply chain.
- Monitoring, auditing, and problem resolution procedures will be agreed at the time of contract.
- To avoid risks of fraud we will require confirmation via a number of means before we change bank details for a supplier. This could result in payment delays but substantially reduces the risk of financial loss for both parties.

GRAHAM has a statutory duty to report on payment practices and performance in each six-month reporting period. Further detail, and all our submissions to date, is available here: <https://www.gov.uk/check-when-businesses-pay-invoices>

We are committed to continuous improvement in this area and are striving to ensure that Government targets are consistently met, i.e., that all supplier payments are made within agreed terms and at least 95% of invoices received are paid within 60 days.

Default Payment Terms

Payment terms are agreed on a supplier-by-supplier basis, as part of contract negotiations. The agreed terms will depend on the type of work, size of the company and product or service purchased.

The most commonly used payment terms in the last six-month period were:

- For suppliers, 45 days from end of month of supply.
- For subcontractors, 47 days from date of application for payment.

Applying for Payment

In line with the Prompt Payment Code, GRAHAM will always aim to pay authorised invoices within 60 days from date of receipt. For small businesses (i.e., those with fewer than 50 employees), we aim to pay authorised invoices within 30 days from date of receipt.

We acknowledge the right of our suppliers and subcontractors to use late payment legislation to invoice for late payment interest and charges, where we fail to pay within agreed terms.

a) Supplier Invoices

The date we receive an invoice is classed as the date the invoice is received either by email to the accounts payable invoicing inbox (accounts@graham.co.uk) or by post to the Accounts Payable Team, 5 Ballygowan Road, Hillsborough, Co. Down, Northern Ireland, BT26 6HX.

This is provided:

- It states a valid Purchase Order number.
- VAT invoices are compliant with HMRC VAT invoice guidelines.
- The invoice suitably specifies what the charges are and what they are for.
- Goods or services have been received in accordance with the specification (proof of delivery may be required).

If the requirements above are not met, the invoice may be returned for cancellation and resubmission.

b) Subcontractor Applications for Payment

GRAHAM will agree a schedule of subcontract valuation and payment dates at the outset of each new engagement.

Applications for payment must be made in line with this schedule; any application submitted after the due date may not be considered by GRAHAM until the next application for payment date falls due.

Each application for payment should detail:

- the value of all work completed under the subcontract (including detailed measurements to support quantities included in the application).
- the value of all variations instructed.
- the value of all materials delivered to the site for incorporation in the subcontract works (if applicable).
- any other amount the subcontractor is entitled to be paid under the terms of subcontract.
- any GRAHAM discounts and retention.
- any other amount which GRAHAM is entitled to deduct, set-off or withhold under the terms of the subcontract.
- the payments previously made (a statement of which will be included in the application for payment).

All applications must be submitted via the GRAHAM online payment portal; any application for payment submitted by any other means will not be considered a valid application for payment.

Subcontractors who have signed the VAT Self Billing Agreement should not issue VAT invoices as they will not be considered as applications for payment.

In the event we have not agreed a comprehensive schedule of valuation and payment dates with you, the below outlines our indicative timeframe for processing your applications for payment:

- Applications should be submitted, via the online payment portal, on the 25th day of each month.
- Applications will fall due for payment 26 days after submission.
- We will aim to pay applications within 21 days after falling due for payment.

At GRAHAM, when working on projects subject to the Public Contract Regulations 2015, the above timeframes are condensed to ensure payments are made within 30 days from date of application for payment.

Dispute Resolution Process

GRAHAM is committed to fair treatment of all our suppliers and actively seeks to resolve disputes in a timely manner.

Dispute resolution mechanisms are discussed and agreed with suppliers at contract negotiation stage.

The initial point of contact for any invoice disputes will be the Accounts Payable team (accounts@graham.co.uk), who if unable to resolve, will escalate the matter to the relevant contract / commercial team and subsequently to Senior Management, should this be required.

Where it is not possible to reach a satisfactory agreement, other methods of dispute resolution, such as mediation, adjudication, litigation etc. may be used.



ANDREW BILL

Chief Executive Officer
John Graham Construction Limited