
Commitment to Fair and Prompt Payment

Our Commitment

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

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>

Whilst our payment practices and performance submissions demonstrate that GRAHAM is continuing to make improvement in the prompt payment of our suppliers, it is recognised that there is still work to be done in order to meet Government expectations.

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

Improvement Plan

GRAHAM would like to stress that within each of the two previous 6-month reporting periods, at least 95% of our subcontractor self-bill invoices were paid within 60 days. However, it is acknowledged that our overall statistics are impacted by the business’ ability to quickly process a supplier invoice (i.e. supply of goods / materials) within a 60-day timeframe. In order to drive improvement in this area, the business has undertaken an internal review of our supplier purchase to pay cycle and identified that delays in payment predominantly arise due to:

- Delay in return of delivery dockets to enable three-way matching of orders, delivery receipts and invoices;
- Delay in authorisation of supplier invoices (those for which the 3-way match criteria does not / cannot apply); and
- A number of our approved suppliers have agreed payment terms in excess of 60 days.

Key actions which the business is taking / has taken to address these issues are as follows:

- Improved management information and reporting within the Accounts Payable function to ensure potential issues are identified earlier and enable timely solution prior to the lapse of agreed payment terms;
- Communications to site-based personnel to remind them of the requirement to verify and acknowledge receipt of delivery on a timely basis.
- Communications to all invoice authorising personnel outlining the need to review invoices requiring approval more frequently and expedite query handling to enable faster payment.
- Identify those suppliers with whom payment terms in excess of 60 days have been agreed, with a view to reduce these to the desired 60-day target.
- A working group has been established to keep the ‘Purchase to Pay’ process under critical review, ensuring it remains efficient and effective. Where improvements are identified these will be recommended to the Board for implementation.

Payment performance is actively reviewed at each meeting of the John Graham Construction Limited Board of Directors and is also reported to our parent company, John Graham Holdings Limited, Board of Directors.

Actions to date have already resulted in improvement, as is evidenced by the improving statistics contained within our statutory returns and GRAHAM is committed to ensuring this trend continues.



ALAN BILL

Managing Director

John Graham Construction Limited