PROCUREMENT ACT 2023 & PPN 10/23 COMPLIANCE SUBMISSION

SUPPLY CHAIN PROMPT PAYMENT: ACTION PLAN FOR IMPROVEMENT

Prepared by Education Matters Group Ltd

Prepared By:	Education Matters Group Ltd	**Tender Date:**	27 November 2026
Submitted To:	Heart Academies Trust (Contracting Authority)	**Document Reference:**	Bid Ref – PQGB-4556-LTQD
Framework:	Value Match Procurement Submission	**Statutory Alignment:**	Procurement Act 2023 & PPN 10/23 / PPN 015

1. Executive Summary & Compliance Statement

Education Matters Group Ltd submits this Action Plan in accordance with the Procurement Act 2023 (Sections 68 and 73), PPN 10/23 / PPN 015 prompt payment evaluation standards, and the Heart Academies Trust / Value Match procurement framework requirements.

- **Historical Context:** Across the two preceding six-month reporting periods, Education Matters Group Ltd recorded 60-day prompt payment rates of 76% (Period 1) and 54% (Period 2) against the 95% within 60 days benchmark.
- **Current Compliance Position:** These figures resulted from an extraordinary, non-recurring convergence of executive leadership transition, operational restructuring, and delayed customer collections. Education Matters Group Ltd has since executed a comprehensive turnaround, secured substantial follow-on capital from institutional backers, expanded credit control capacity, and returned to profitable trading.
- **Verified Status:** 100% of historical overdue balances have been settled in full, standard contractual terms have been restored across the entire supply chain, and 100% of current creditor invoices are paid within 60 days, alongside active adherence to 30-day public sector supply chain flow-down terms.

> **Assurance Summary for Heart Academies Trust Evaluators**
> All root causes behind historical payment delays have been structurally resolved. Education Matters Group Ltd currently operates at 100% creditor compliance within 60 days, carries £0 in historical overdue supplier debt, and enforces mandatory 30-day flow-down terms for public sector contracts.

2. Root Cause Analysis (Evidenced & Non-Recurring)

A formal financial and operational audit identified four discrete, non-recurring causes for the historical dip in payment performance:

2.1 Executive Leadership Transition & Operational Disruption

The business experienced temporary commercial and operational disruption during a period of executive leadership transition. Interim leadership arrangements did not immediately deliver the required operational stability, leading to temporary cash-flow pressure and extended payment cycles.

2.2 Operational Restructuring & Cost-Base Optimisation

To safeguard long-term commercial viability, the Board executed a targeted cost-reduction and workforce restructuring programme. While this temporarily reduced administrative capacity, it has since delivered permanent efficiency gains, enabling revenue growth on a leaner, profitable operating base.

2.3 Structured Management of Key Supplier Arrears

During the transitional period, payment delays were isolated to three core supply chain partners. Rather than allowing arrears to accumulate unmanaged, Education Matters Group Ltd proactively negotiated formal repayment schedules with all three suppliers, directly underwritten by our institutional financial backers to provide complete commercial security.

2.4 Delayed Customer Receivables & Working Capital Strain

Concurrently, slower customer collections temporarily restricted available working capital, compounding short-term liquidity pressure and delaying supplier settlements beyond standard contractual terms.

3. Corrective Actions, Deliverables & Current Verification

Every root cause identified above has been permanently resolved through structural, financial, and process controls:

Root Cause	Corrective Action & Deliverable	Measurable Outcome / Verification	Accountable Owner	Status
Leadership & Operational Instability	Streamlined executive leadership structure and executed full operational turnaround.	Restored profitable trading and reduced fixed operating overheads.	Managing Director	**Completed**
Working Capital & Cash-Flow Strain	Secured follow-on institutional equity injection, established dedicated working capital buffers, and progressed invoice financing facilities.	£0 historical overdue supplier debt; maintained liquidity headroom for all creditor obligations.	Managing Director	**Completed & Ongoing**
Customer Payment Delays & Credit Control	Expanded credit control administrative headcount and tightened receivables collection workflows.	Accelerated Debtor Days (DSO) and proactive management of overdue customer accounts.	Finance Manager	**Implemented & Ongoing**
Key Supplier Arrears & Terms	Fulfilled all investor-underwritten repayment schedules with the three affected core suppliers.	100% of supply chain restored to standard contractual terms; zero bespoke arrears plans active.	Finance Manager	**Completed & Ongoing**
Accounts Payable Bottlenecks	Embedded mandatory creditor aging checkpoints at Day 15, Day 30, and Day 45 ahead of statutory 30-day and 60-day thresholds.	Early resolution of invoice queries; 100% of undisputed invoices paid within 60 days.	Accounts Payable Lead	**Implemented**

4. Target KPIs & Public Sector Supply Chain Commitments

To align directly with Heart Academies Trust quality and Management Information (MI) reporting expectations and the Procurement Act 2023, Education Matters Group Ltd commits to the following measurable performance standards for all framework contracts:

- **30-Day Public Contract Flow-Down (PA 2023 s68/s73):** Undisputed invoices from subcontractors and supply chain partners supporting Heart Academies Trust call-offs will be paid within 30 days of receipt.

- **60-Day Prompt Payment Benchmark:** Maintain ≥95% (currently operating at 100%) of all supply chain invoices paid within 60 days across every six-month reporting period.
- **Average Payment Time Benchmark:** Maintain an average invoice payment turnaround of ≤45 days (exceeding the ≤55-day statutory threshold).
- **Prompt Dispute Resolution:** Acknowledge and log any queried or disputed invoice within 5 working days, with mandatory commercial resolution within 15 working days so undisputed sums are never held back.

5. Governance, Escalation & Audit Trail (MI Reporting)

To guarantee sustained compliance and provide full transparency to Heart Academies Trust and Value Match, the following governance framework is embedded into business-as-usual operations:

- **Monthly Prompt Payment & MI Dashboard:** The Accounts Payable Lead compiles a monthly Creditor Aging and Payment Compliance Report tracking the percentage of invoices paid within 30 days, 31–60 days, and >60 days; average time to pay (in days); and the number and aging of disputed invoices. Available for inspection by Heart Academies Trust and Value Match during contract management reviews.
- **Weekly Executive & Investor Oversight:** Prompt payment KPIs and cash-flow headroom are a standing agenda item at weekly Executive Board meetings and are reported directly to our institutional backers.
- **Mandatory Day-20 / Day-45 Escalation Gate:** Any invoice remaining unapproved or queried at Day 20 (for 30-day terms) or Day 45 (for 60-day terms) automatically escalates to the Managing Director for immediate sign-off or settlement intervention.
- **Reporting:** Education Matters Group Ltd compiles six-monthly data under the UK Government's Payment Practices and Performance Regulations, with our next filing projected to verify full compliance above the 95% threshold.