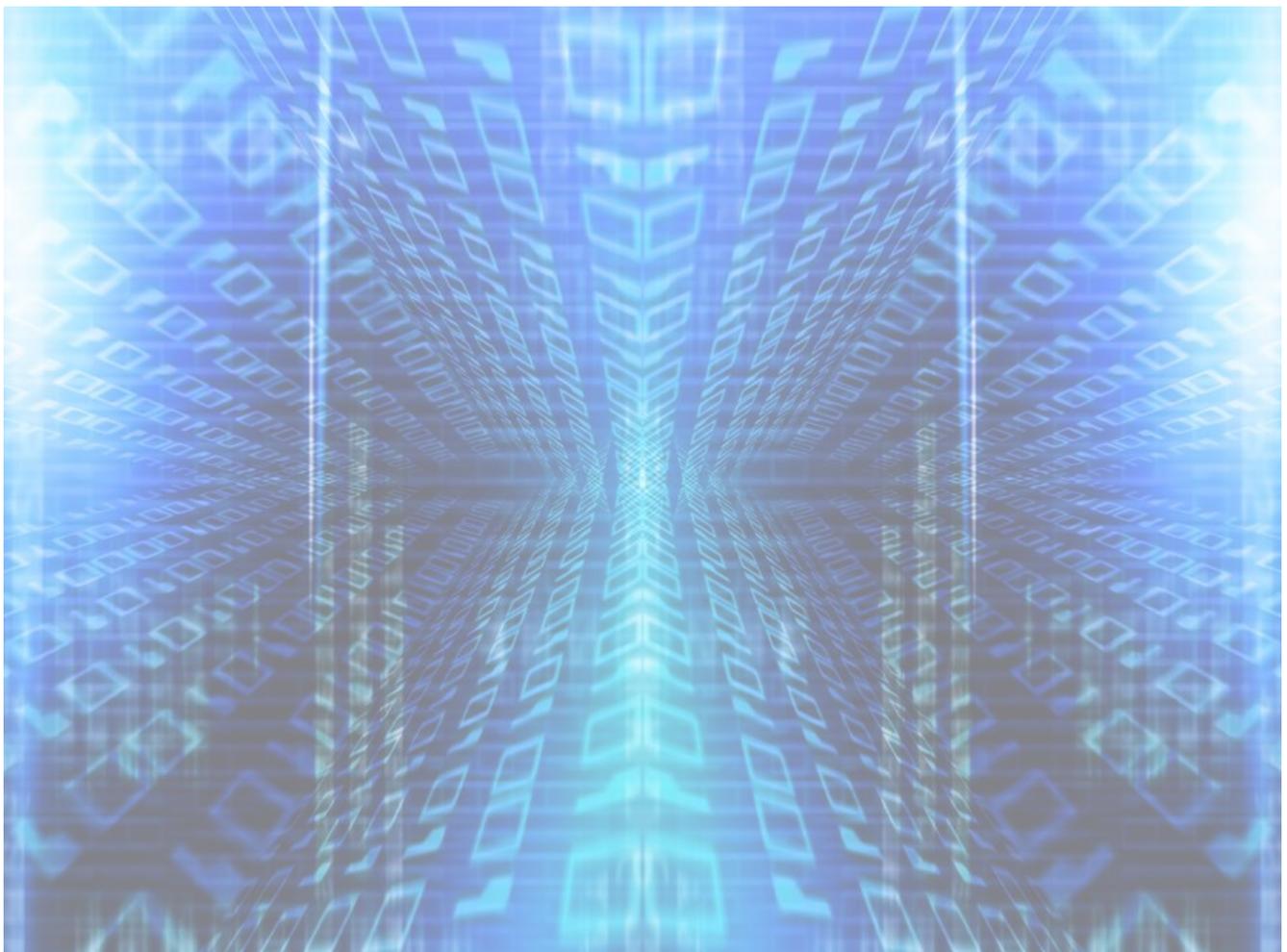




2014 Annual Report



Foreword: Stephen McPartland, MP for Stevenage.



I am very pleased to continue my patronage of the UK National e-Invoicing Forum and I am delighted with the results this year. Founded in 2010, the founding group members had a simple objective of alerting HM Government of its need to attend an EC forum on e-invoicing in Brussels. Since then the group has blossomed and its remit widened to openly advocate the benefits of electronic invoicing to HM Government. This has resulted in multiple successes from engagement with senior government ministers through to the inclusion of e-Invoicing within the Small Business, Enterprise and Employment Bill.

Electronic invoicing could save the public sector and its suppliers a minimum of £2 billion per annum by streamlining UK government administrative processes at a stroke. By enabling government to use its immense purchasing power, e-Invoicing could open up new markets throughout the

country and help drive innovation and economic growth.

However, questions were raised, why then, has the UK been so slow in adopting e-Invoicing in the public sector? What are the barriers and solutions to increased adoption? Does government need to mandate its use? What levers could be used to encourage greater use of e-Invoicing and develop best practice and leadership throughout the public sector? What can the public sector learn from the private sector? What has been the experience within the EU and what can we learn from other areas of the world?

The European Commission's 2014 announcement to support e-Invoicing by giving approval to the development of a standard to support interoperability across the EU has provided a clear target. Now is the perfect opportunity for the UK Government to lead by best practice, accelerate implementation and drive a significant process change throughout the UK public sector.

This year I assembled a committee from industry, academia, economics and subject experts for a Parliamentary Inquiry, to ensure that the many opinions and views expressed could be challenged and examined to produce an analysis and a set of apolitical recommendations.

During the course of the Inquiry we heard from many experts,

business leaders and organisations who were all united in the desire to see an increased adoption of e-Invoicing throughout the UK public sector, even if their opinions on how to achieve this varied.

The public sector is under increasing pressure to provide numerous services efficiently and cost effectively – e-Invoicing should be viewed as an integral part of the delivery process and solution. There is also an urgency to act to address inefficiencies and protect front line public sector roles.

I hope the recommendations in this year's Parliamentary Inquiry have provided policy makers and decision takers with a pragmatic approach to drive an ambitious, targeted adoption of e-Invoicing throughout the public sector in 2015.

After all, we live and work in an increasingly global world being driven by digital innovation and the UK's public sector cannot afford to be left behind. Nor can those businesses linked to public service delivery afford to lose a competitive edge. Now is the time for action!

On that note, I aim to continue my work with the UKNeF and share in their stated aim of ensuring the UK public sector adopt electronic invoicing as a day-to-day business practice.

Executive Summary

- 2014 was a successful year for the UKNeF
- Engaged with HM Government officials at central and local levels through a number of activities
- The inclusion of electronic invoicing within the Small Business Enterprise and Employment Bill
- Fully engaged with European developments and committed to the European Multi-Stakeholder Forum on Electronic Invoicing
- Produced a Business Case for the Public Sector and an Interoperability Charter for the Public Sector
- Reorganised governance and group structure
- Attracted new members

Review of the Year

Nigel Taylor, Chair



2014 has been a highly successful year for the UK National e-Invoicing Forum. An organisational re-structure at the start of the year has produced a more focused group of attendees with a formal work programme and annual objectives. This has paid dividends throughout the year with many achievements.

Starting early in December 2013, the Forum hosted a meeting at the Department of Business, Innovation & Skills on 'creating an interoperable ecosystem for the

UK Public Sector'. This meeting, introduced by the Minister for Business, the Rt Hon Matthew Hancock MP, has led to a number of initiatives and achievements throughout 2014. Of particular note was the Parliamentary Inquiry on Public Sector adoption of electronic invoicing, initiated by Stephen McPartland MP and sponsored by UKNeF member, Mastercard.

Many of our members contributed, and the forum was delighted when the Minister for the Cabinet Office and Paymaster General, the Rt Hon Francis Maude MP launched the report findings at the House of Commons.

The forum always strives to engage with government officials and MPs and this year has been particularly rewarding with new contacts made in the Crown Commercial Service, Department for Work and Pensions, Department of Health and in Northern Ireland, AccountNI. The forum also continues to represent the UK's interests within the European Union through the

Commission's European Multi-Stakeholder Forum on e-Invoicing and works with senior Commission officials and MEPs.

Our work with officials led to a major milestone for the forum, the inclusion of electronic invoicing as a mandatory requirement for the UK Public Sector within the Small Business, Enterprise and Employment Bill. The forum also launched two major independent initiatives this year, an Interoperability Charter and Business Case for the UK Public Sector. Driven by discussion within the group and commentary from ministers and senior government officials, these initiatives are designed to increase adoption of e-invoicing within the public sector.

Cross-industry advocacy also had a significant impact during the year. While the forum remains a small pro-bono organisation, by sharing our message with interested parties we have been able to reach a wider audience. These relationships benefit both parties and we aim to continue our work with organisations such as the

Institute of Credit Management, Forum of Private Business, Payments Council, Business Application Service Providers Association and the Association of Certified Chartered Accountants into 2015.

The forum has also been successful in securing cross-departmental consultation across two major projects, the Richer Data project initiated by the Department for Work and Pensions, and the NHS e-Invoicing strategy issued by the Department of Health.

We aim to work with more central government departments so that HM Government efforts on e-invoicing are fully co-ordinated.

The UKNeF membership remains a hardworking group of volunteers who understand the need for public sector efficiency in 2015

and beyond. We remain steadfast in our stated aim of educating the public sector to the benefits of electronic invoicing and its associated practises and we will endeavour to build on this year's successes, striving to ensure the UK public sector is digital by default.

I would like to thank the steering group for their hard work in leading our initiatives this year and the membership for their continued support.

In particular I would like to thank our Vice-Chair, Kerry Jones, for her efforts in securing recognition of the group within government, and to Stephen McPartland MP for his continued patronage and support.

Kerry Jones, Vice-Chair

The forum has achieved a great deal during the past year and I am indebted to the efforts of all our

members, but especially the Steering Committee, who have invested so much time in helping to raise our profile and ensure that the forum is now seen as a major contributor on this issue. However, having achieved so much over the past year, the challenge for 2015 is to build on what we've done so far and deliver interoperable e-invoicing systems across the wider public sector within the UK. In addition, we now have the opportunity to provide a mechanism for learning from others and spreading best practice, which is very exciting. Once again, I would like to thank all our members for their continuing support and hard work in getting e-invoicing seen as a key contributor to making the UK a good place to do business.

UKNeF Overview

The UKNeF was set up in 2010 as a self-funded initiative of industry associations, public sector bodies and solution providers to promote e-Invoicing in the UK public and private sectors. Our mission is to help UK public bodies and commercial enterprises of all sizes save money and understand the benefits of replacing paper invoices with wholly electronic transactions.

- The UKNeF meets on a regular basis and operates in an entirely non-competitive, cooperative space.
- Our meetings are inclusive of both public and private sector stakeholder interests.
- We operate in an open, transparent and informal manner.
- When considering areas requiring strategic transformation, the group adopts scoped and realistic objectives.
- Initiatives undertaken are agreed among the group to be concrete, feasible and effective and their execution always closely monitored.

Report on Governance and Forum Activities

Reference and Administrative Information

The UK National e-Invoicing Forum (UKNeF, or the Forum) is an informal, unincorporated, voluntary and not-for-profit body with no distinct legal personality. Names of those who served on the Steering Committee during 2014 are shown on page 7.

Structure and Management

Quarterly Plenary Meetings of Members remain the main decision-making body of the Forum supported by the Steering Committee, which has the responsibilities defined in the UKNeF Terms of Reference. The Forum also meets on an annual basis to:

- a) Approve the annual activity report for each calendar year;
- b) Agree the mission statement and annual objectives for the forthcoming calendar year;
- c) Elect the Chair, Vice-Chair and Secretary and other members of the Steering Committee;
- d) Adopt any positions or policies on behalf of the Forum;
- e) Modify the Terms of Reference or decide on the dissolution of the Forum;
- f) Deliberate and decide upon any other matter serving the objectives of the Forum.

Nominees for the function of Chair and Vice-chair must demonstrate strong leadership skills, with a broad and deep knowledge of the industry, and relevant experience. At least one nominee must represent the United Kingdom public sector. Nominees must be well respected and credible in the Member community and in the wider stakeholder community.

The Steering Committee is elected by a Plenary Meeting and consists of at least four and no more than seven members, including the Chair, Vice-Chair and Secretary. These members (except for the Chair, Vice-Chair and Secretary, who are elected separately) are elected by a Plenary Meeting from among those Nominated Representatives of Members, who nominate themselves to serve on the Steering Committee and are elected by secret ballot based on a simple majority. The Steering Committee members are elected for a renewable term of one year by the Plenary Meeting.

Objectives, Aims and Activities

The Forum's objectives and aims are to promote and support public policy concerning electronic invoicing (e-invoicing), which is a rapidly growing practice that involves the replacement of paper invoices with wholly electronic processes. These objectives include educational and awareness raising activities targeted at policy makers in both the private and public sectors.

The European Institutions and Member States of the European Union, including the UK, have identified e-invoicing is a public policy priority and a key component of more efficient and environmentally friendly business processes,

Members of UKNeF share a common vision and a commitment to promoting and supporting the adoption of e-invoicing based on the following objectives:

- a) To improve service quality and auditability by replacing paper invoices with wholly electronic transactions.
- b) To champion, promote and advocate widespread adoption of electronic invoicing within the context of growing supply chain automation and end-to-end electronic

transactions between buyers and sellers of goods and services;

- c) To involve the UK public sector in order to deliver benefits to the taxpayer and the economy at large and to provide input to policy initiatives as appropriate;
- d) To monitor and respond to the emerging European policy agenda, in particular, in the areas of legal and VAT simplification and harmonization, standard setting, and governance;
- e) To focus on the needs of small business and the specific actions needed to ensure their engagement and inclusion;
- f) To create an 'interoperable eco-system' in which UK stakeholders of all types including software, service and solution providers agree to interoperate with respect to public sector electronic invoices and to create such an eco-system, as defined in the UKNeF Interoperability Charter.

The UKNeF continues to promote excellence in electronic invoicing and its associated practices and raises awareness of its vital role in the public sector, business and the wider community.

Review of Achievements and Performance

During 2014 the Forum;

- Achieved wider recognition through its activities with government and other bodies to make available best practice advice to the Public Sector and the wider business community – invitations to participate in the roundtables on SME finance and the EC's Late Payment Consultation being examples.
- Sponsorship of a Parliamentary Inquiry into 'the adoption of electronic invoicing by the public sector' through one member, and contributions from many other members. The Inquiry was sponsored by Stephen McPartland MP and launched by the Rt Hon Francis

Maude MP, Minister for the Cabinet Office and Paymaster General.

- Engagement with senior officials at Department for Business, Innovation & Skills, Department for Work & Pensions, Crown Commercial Service, HM Revenue & Customs and Department of Health.
- Working with Cabinet Office towards the inclusion of electronic invoicing within the 2014 Small Business & Enterprise Bill.
- Hosted a meeting at the Department for Business, Innovation & Skills regarding 'creating an interoperable ecosystem for the UK Public Sector'.
- A formal re-structuring of the group with the inclusion of a steering committee and the move to quarterly meetings.
- Multiple presentations at events including CIPFA and Westminster Briefing.
- Creation of a public sector business case in cooperation with the Local Government Association.
- Continued representation for the United Kingdom on the European Commission's multi-stakeholder forum on electronic invoicing.
- Industry engagement including Pan-European Public Procurement Online (PEPPOL), BASDA, Institute of Credit Management, Forum of Private Business, Payments Council and the Association of Certified Chartered Accountants.
- Response to HM Government consultation on Reforms to public procurement
- Creation of an 'Interoperability Charter for the Public Sector.'

European developments

UKNeF continued to play an active part in the European Multi-Stakeholder Forum on e-Invoicing (EMSFEI). Charles Bryant and Nigel

Taylor represent the UK in the EMSFEI and attended its two plenary meetings in March and October 2014, chaired by senior Commission officials. The EMSFEI has just entered its second three year term based on a Commission Decision and as a collective stakeholder body advises the Commission on the way forward to ensure that e-invoicing becomes predominant by 2020.

In the current term the forum has created three activities namely: 1/ on the promotion of e-invoicing in the area of public procurement, 2/ on standardisation and 3/ on legal and regulatory issues. The UK is leading the activity on e-invoicing in public procurement, which is focused on implementation following the adoption of Directive 2014/55/EU. Under the Directive, which is now being transposed into Member State law, all public administrations at central and local government level must implement a new European standard and be in a position to receive and process e-invoices in this standard in their public procurement processes by 2018, with some extension for smaller bodies. The EMSFEI activity is currently producing a roadmap for public administrations to take into account in implementing e-invoicing. UKNeF is committed to supporting the adoption process in the UK.

The standardisation activity made an important contribution to the thinking behind the Directive 2014/55/EU through a Recommendation. The result is the decision to prepare the new standard for a core invoice, which will be based on a semantic data model drawn from a number of internationally accepted standards. The standards development work is in the hands of CEN (European Standards Committee), which has formed a Project Committee (CEN PC434) to which the British Standards Institution, as the UK's national standards

body, has nominated Charles Bryant of Tungsten Network Ltd and Lauren Jones of the Payments Council to represent the UK. UKNeF supports this work through the appointment of experts to the BSI mirror group following the standards development process, which is expected to produce concrete results during 2015.

Although e-invoicing has been extensively supported by legal and fiscal clarification in particular through the Directive 2010/45/EC, which has now been transposed into Member State law, there remain variations and anomalies which require attention. The legal and regulatory activity focuses on identifying and making proposals. It is gratifying to see that the UK is one of the leading examples in the EU of countries that have created a fiscal and legal regime that encourages e-invoicing and creates no obstacle for trading parties.

Financial Review

The UKNeF remains an informal, unregistered organisation with no income or expenditure. There is no recompense for any expenses incurred by the forum or its members during the forum's activities.

Plans for the Future

2015 will see the UKNeF follow up on its successes this year. We will raise our profile and continue our awareness activities by attending events, writing for publications and on-going involvement in government initiatives.

Of primary interest is monitoring and providing expert input on the Small Business, Enterprise and Employment Bill to ensure that electronic invoicing is a compulsory public sector practise. This will ensure the UK is ahead of the deadlines set by the European Commission Procurement Directives (2019).

The forum believes it needs to broaden its remit and become more inclusive of other

geographies and related interest areas. We will aim to build our relationship with the NHS and also look to build stronger ties with Northern Ireland, Wales and Scotland. The inclusion of e-procurement will be essential as the European Commission looks to tie electronic invoicing and procurement together. Working with supplier finance bodies will also bring another important dimension into the electronic invoicing proposition.

Within Europe, the UKNeF continues to support EMSFEI and the CEN PC434 activities throughout the year.

Within government, the forum intends to argue the case for an 'e-invoicing/e-procurement champion', who will be responsible for advising on existing EU directives and for delivering widespread e-invoicing adoption across the UK public sector. Another key area is the creation of an 'e-invoicing national framework agreement' that is re-usable across all public sector entities. The forum believes that the creation of a framework will increase the adoption of e-invoicing.

Members of Steering Committee

Chair: Nigel Taylor, Taulia UK Ltd.
Vice-Chair: Kerry Jones, Department for Business, Innovation & Skills.
Secretary: Charles Bryant, Tungsten Network Ltd.

Tim Cole, Causeway Technologies Ltd.
Andrew Coulson, East Sussex County Council.
Andrew Jesse, Basware UK Ltd.
Tony Nisbett, TrustWeaver.

Members

The UK National e-Invoicing Forum is constituted of the following member organisations;

Department for Business, Innovation & Skills	IEX
Department for Work & Pensions	Elcom
Crown Commercial Service	Forum of Private Business (FPB)
Department of Health	Information Economy Exchange Ltd.
Northern Ireland Department of Finance & Personnel	CloudTrade
Royal Bank of Scotland	Institute of Credit Management (ICM)
Vocalink	Association of Certified Chartered Accountants (ACCA)
IBM	GXS OpenText
GS1	Cloudbuy
Mastercard	Payments Council
Sage	Identrust
SAP	EGS Group
Tungsten Network Ltd.	Bilbus
Basware UK Ltd.	TRP Associates Ltd.
Taulia UK Ltd.	Institute of Chartered Accountants in England & Wales (ICAEW)
Regify Ltd.	Esker UK Ltd.
Celeris Group	Data Interchange Ltd.
OpenPEPPOL	SpendMatters
Causeway Technologies	
Business Application Software Developers Association (BASDA)	