Late Payment on Public Sector Contracts? Know Your Rights.

A practical guide for SMEs supplying the public sector.

Your rights under the Procurement Act 2023

If you're supplying the public sector, you're generally entitled to be paid within 30 days for valid, undisputed invoices.

The 30 days runs from receipt of a valid invoice (or the invoice due date if later) — not when an invoice is eventually approved internally.

These payment obligations should flow down the supply chain to subcontractors.

Contracting authorities must publish Payment Compliance Notices, making persistent poor payment performance visible.

Before you escalate

Check your invoice has been sent to the correct team.

Confirm there is no genuine dispute over the work or value.

Ensure your purchase order and contract reference are correct.

If you're still waiting...

Email your contract manager or procurement officer:

EXAMPLE EMAIL WORDING

> *"I understand that Section 68 of the Procurement Act 2023 provides for 30-day payment terms in relation to qualifying public contracts for sums that are due and undisputed. Please could you confirm the current status of Invoice [XXX] and advise when payment will be made?"*

Tap to open this template in your email app

If that doesn't resolve the issue:

Escalate the matter to the procurement or finance manager.

Follow the authority's formal complaints or dispute resolution process.

Ask how the authority reports its payment performance in its Payment Compliance Notice.

Where appropriate, seek independent legal advice regarding statutory interest or recovery options.

Know another SME struggling to get paid? Forward this guide