

PAY LESS NOTICE

The payer's notice of intention to pay less than the notified sum — HGCRA 1996 s.111

NOTICE — SEND TO THE PAYEE

KD-PAY-PL-004 Rev A0

The payer's notice of intention to pay less than the notified sum (HGCRA 1996 s.111(3)). The notified sum is the sum in the payer's payment notice, in the payee's notice the contract requires, or in the payee's notice in default — including an application that stands as one (s.111(2); s.110B(4)). This notice specifies the sum the payer considers to be due on the date it is served, and the basis on which that sum is calculated; the sum may be zero (s.111(4)). WHAT IT DOES: given in time, the payer must pay only the sum in this notice by the final date (s.111(6)). WHAT IT DOES NOT DO: it does not end the disagreement — a party may still refer a dispute to adjudication (s.108(1)), and if the adjudicator decides more should be paid, the extra is due not later than the later of seven days from the decision and the date that would have been the final date apart from the notice (s.111(8) and (9)). It does not replace the payment notice (KD-PAY-PN-003). Written for England and Wales. Part II of HGCRA 1996 also covers work in Scotland, which has its own Scheme regulations; Northern Ireland has its own construction contracts Order and Scheme — use those there. The Act's payment rules do not apply to a contract with a residential occupier: one principally about work on a dwelling that a party to the contract lives in or intends to live in (HGCRA 1996 s.106). A subcontract on a house is not excluded — the homeowner is not a party to it. Nor do they apply to work that is not construction operations (s.105(2)): for example manufacture or delivery to site of materials, components, plant or equipment under a contract that does not also provide for installing them, or installing plant or machinery (and its supporting steelwork) on a site whose primary activity is power generation, water or effluent treatment, or the production, processing or bulk storage of chemicals, pharmaceuticals, oil, gas, steel or food and drink.

A PAY LESS NOTICE HAS A DEADLINE — CHECK IT BEFORE ANYTHING ELSE

It must be given not later than the prescribed period before the final date for payment — the period your contract agrees or, where it agrees none, 7 days before the final date (s.111(5) and (7); Scheme para 10). Where the notified sum comes from the payee's notice, it may not be given before that notice (s.111(5)(b)). Otherwise the payer must pay the notified sum by the final date (s.111(1)). If the deadline has passed, take advice at once. Your contract's own wording and time limits govern; check them before issuing, and take advice where money is at stake.

1 THE CONTRACT AND THE PARTIES

FROM (PAYER)	TO (PAYEE)		
ADDRESS AND EMAIL	ADDRESS FOR NOTICES		
PROJECT AND CONTRACT	CONTRACT / ORDER REF	PAYMENT CLAUSE NO.	DATE OF THIS DOCUMENT
GIVEN BY (PAYER OR SPECIFIED PERSON)	PAYMENT THIS NOTICE IS ABOUT		

2 THE NOTIFIED SUM THIS NOTICE IS AGAINST

☐ Our payment notice (s.111(2)(a))			
☐ The payee's notice the contract requires it to give (s.111(2)(b))			
☐ The payee's notice in default, or the payee's application that stands as one (s.110B(2) and (4); s.111(2)(c)) — the final date may be postponed			
DATE OF THAT NOTICE	NOTIFIED SUM £	ITS REFERENCE	FINAL DATE FOR PAYMENT

3 THE DEADLINE FOR THIS NOTICE

KEY DATES — FILL THESE IN FIRST			
FINAL DATE FOR PAYMENT	PRESCRIBED PERIOD (DAYS)	LATEST DATE TO SERVE THIS	THIS NOTICE SERVED ON

HOW TO COUNT DAYS: under HGCRA 1996 s.116 a period after a date begins the day after that date, and Christmas Day, Good Friday and bank holidays are left out. Periods your contract sets are counted as your contract says. If you are not sure which count applies, meet your own deadline by the earlier date and let the other party's deadline pass by the later one — and take advice where it is close.

4 THE SUM WE CONSIDER DUE ON THE DATE THIS NOTICE IS SERVED

ITEM		£ EXCL. VAT		
Notified sum (section 2)				
NO.	REASON FOR PAYING LESS	CONTRACT CLAUSE	EVIDENCE (REF)	AMOUNT £

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continued

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NO.	REASON FOR PAYING LESS	CONTRACT CLAUSE	EVIDENCE (REF)	AMOUNT £

Total of the reasons above

SUM WE CONSIDER DUE ON THE DATE THIS NOTICE IS SERVED, excluding VAT

BASIS ON WHICH THAT SUM IS CALCULATED

5 NOTICE

Notice of intention to pay less than the notified sum, under section 111(3) of the Housing Grants, Construction and Regeneration Act 1996

We intend to pay less than the notified sum identified in section 2. The sum we consider to be due on the date this notice is served is the sum stated in section 4, calculated on the basis set out there.

6 HOW THIS WAS GIVEN

Serve it as the contract says. Where the contract says nothing about service, any effective means will do; a notice addressed, pre-paid and posted to the last known principal business address, or a company's registered or principal office, is treated as served; and a notice includes any communication in writing (HGCRA 1996 s.115).

HOW GIVEN	GIVEN TO	DATE AND TIME GIVEN	PROOF KEPT

TRACKER LINE (KD-PAY-PT-006)

7 SIGNED

For the payer or the specified person:

PRINTED NAME	ROLE	COMPANY	SIGNATURE	DATE	TIME

R REVISION HISTORY

Every revision of this document, and every review that found nothing to change. The revision on the front of this sheet is the one you are holding — check kubitdocs.com for the current one before use.

Rev	Date	Class	What changed	Authorised by
D0	2026-09-12	first-issue	First issue.	— not yet approved —
A0	2026-09-12	review	Approved for issue by the author. Content unchanged from the reviewed draft; the draft status strip is removed. No independent third-party review has been carried out.	Author — director, UK principal contractor, SMSTS. Not an independent review.

Class: first-issue · material (the law, a control, a field or the scope changed — past buyers are notified) · editorial (wording or layout only) · review (checked, nothing changed) · withdrawal. Revision prefix D = draft, not approved and not for sale; A = approved for issue by the person named, on the date shown.