



# Payer's notice to payee to pay less than the notified sum

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Practice name:

Job reference:

Address:

Notice no:

Date:

Employer:

Address:

Contractor:

Address:

Works:

Situated at:

\*Pursuant to the Housing Grants Construction and Regeneration Act 1996, as amended by Part 8 of the Local Democracy, Economic Development and Construction Act 2009.

\*Pursuant to Clause                      of the Contract dated

*\*delete as appropriate*

(the payer) intends to pay less than the notified sum

due on

from

(the payee)

The sum the payer considers due on the date of this notice is £                      . The basis on which the above sum is calculated \* is:-

*\*in Scotland this notice must also specify the work to which the above sum relates*

Signed:

To be signed by or for the practice named above

Date:

Original to Contractor

Copies to:	Employer	<input type="checkbox"/>	Structural Consultant	<input type="checkbox"/>	Quantity Surveyor	<input type="checkbox"/>
	Clerk of Works	<input type="checkbox"/>	Heating Consultant	<input type="checkbox"/>	Electrical Consultant	<input type="checkbox"/>
	File	<input type="checkbox"/>	CDM Coordinator	<input type="checkbox"/>	Others	<input type="checkbox"/>

### **111 Requirement to pay notified sum**

- (1) Subject as follows, where a payment is provided for by a construction contract, the payer must pay the notified sum (to the extent not already paid) on or before the final date for payment.
- (2) For the purposes of this section, the “notified sum” in relation to any payment provided for by a construction contract means—
  - (a) in a case where a notice complying with section 110A(2) has been given pursuant to and in accordance with a requirement of the contract, the amount specified in that notice;
  - (b) in a case where a notice complying with section 110A(3) has been given pursuant to and in accordance with a requirement of the contract, the amount specified in that notice;
  - (c) in a case where a notice complying with section 110A(3) has been given pursuant to and in accordance with section 110B(2), the amount specified in that notice.
- (3) The payer or a specified person may in accordance with this section give to the payee a notice of the payer's intention to pay less than the notified sum.
- (4) A notice under subsection (3) must specify—
  - (a) the sum that the payer considers to be due on the date the notice is served, and
  - (b) the basis on which that sum is calculated.It is immaterial for the purposes of this subsection that the sum referred to in paragraph (a) or (b) may be zero.
- (5) A notice under subsection (3)—
  - (a) must be given not later than the prescribed period before the final date for payment, and
  - (b) in a case referred to in subsection (2)(b) or (c), may not be given before the notice by reference to which the notified sum is determined.
- (6) Where a notice is given under subsection (3), subsection (1) applies only in respect of the sum specified pursuant to subsection (4)(a).
- (7) In subsection (5), “prescribed period” means—
  - (a) such period as the parties may agree, or
  - (b) in the absence of such agreement, the period provided by the Scheme for Construction Contracts.

*Extract from the Amended Scheme:*

#### **Notice of intention to pay less than the notified sum**

10. Any notice of intention to pay less than the notified sum mentioned in section 111(3)(1) of the Act shall be given not later than 7 days before the final date for payment determined—
  - (a) in accordance with the construction contract, or
  - (b) where no such provision is made in the contract, in accordance with paragraph 8.”. [Note paragraph 8 (2) of the Scheme states “The final date for making any payment of a kind mentioned in paragraph 2,5, 6 or 7, shall be 17 days from the date that payment becomes due.”]