

Public Contracts Regulations Act 2015: Regulation 113

[Regulation 113 of the Public Contracts Regulations 2015](#) requires all contracting authorities to pay undisputed invoices within 30 days. When disputed invoice payments are not paid within this 30 day period, interest becomes payable on the outstanding amount as set out in the Late Payment Legislation.

There is a requirement under Regulation 113(7) of the Public Contracts Regulations Act 2015 that from April 2016 onwards the authority must publicise the following information:

1. Percentage of Invoices to first tier suppliers/prime contractors of invoices (not under dispute) paid within 30 days
2. The total amount of interest that the contracting authority is liable to pay (whether or not paid) due to breach of Regulation 113
3. The actual amount of interest paid to suppliers due to a breach of Regulation 113

Financial Year	%age invoices paid within 30 days	Interest (£'s), whether or not claimed, liable to be paid to suppliers	Interest (£'s) paid to suppliers
2016/17	98.95	*N/A	*N/A
2017/18	98.97	£41,762	†Unknown
2018/19	96.99	£44,266	†Unknown
2019/20	93.43	£42,620	†Unknown
2020/21	99.16	£9,365	†Unknown
2021/22	95.01	£339,600	†Unknown
2022/23	98.78	£56,028	†Unknown

*Details not available

†Unknown: our finance system does not record interest payments against the original invoice but treats them as a separate transaction.

Calculating Interest on late commercial payments

The interest you can charge if another business is late paying for goods or a service is 'statutory interest' – this is 8% plus the Bank of England base rate for business to business transactions. You cannot claim statutory interest if there's a different rate of interest in a contract.

Example If your business were owed £1,000 and the Bank of England base rate were 0.5%:

- the annual statutory interest on this would be £85 ($1,000 \times 0.085 = £85$)
- divide £85 by 365 to get the daily interest: 23p a day ($85 / 365 = 0.23$)
- after 50 days this would be £11.50 ($50 \times 0.23 = 11.50$)

Year	Rate (%)	Year	Rate (%)
2015/16	0.5	2020/21	0.1
2016/17	0.25	2021/22	0.5
2017/18	0.5	2022/23	3.5
2018/19	0.75	2023/24	
2019/20	0.75		