Prompt Payment

Suppliers, your sub-contractors and sub-sub-contractors who supply public sector contracts should be paid promptly i.e. within a maximum of 30 days from the date of receipt of a valid invoice.

Prompt payment is important as it ensures cash continues to flow throughout your business and to your suppliers. In many cases prompt payment may provide enough money to keep businesses trading.

The Federation of Small Businesses reported in January 2022 that 12% of Scottish firms.....

“say late payment is now threatening the viability of their business and that 32% of businesses sampled warned that late payment had increased in the previous three months".

Prompt payment of the supply chain is:

- ethical
- socially responsible
- critical to the sustainability and resilience of your supply chains; ensures the delivery of critical products, services or works.

How Does Prompt Payment Affect my Bidding?

Buyers need to ensure their contracts are awarded to bidders who have:

- a good payment performance history and
- systems in place so that their supply chain is paid on time in accordance with the terms of the contract.

SPPN 2/2022 Public Procurement - Prompt Payment in the Supply Chain provides further information.

To find out how to meet your prompt payment requirements please refer to **What Do I Need to Do for Prompt Payment**?