SAMPLE: INVENTED DETAILS. NOT A REAL DOCUMENT.

MORROWBY BUILDING CONTRACTORS LIMITED
Unit 12, Ellmoor Trading Estate
Marlhaven

8 October 2026

ASHWENDLE GROUNDWORKS LIMITED
Unit 2
Ellmoor Depot
Marlhaven

ELLMOOR BUSINESS PARK, PHASE 2
CONTRACT (REF. MBC-EBP-SC-014)
APPLICATION NO. 6
PAY LESS NOTICE

Dear Sirs,

1. We refer to the contract between Morrowby Building Contractors Limited (the "Contractor") and Ashwendle Groundworks Limited (the "Sub-Contractor") dated 2 March 2026 for the groundworks and drainage package at Ellmoor Business Park, Phase 2 (the "Contract").

2. This is a notice of our intention to pay less than the notified sum (a Pay Less Notice), given under section 111(3) of the Housing Grants, Construction and Regeneration Act 1996 (as amended), in respect of Application No. 6, the payment due date for which was 30 September 2026.

3. The notified sum is £48,600.00, being the sum stated in your notice given on 30 September 2026.

4. The sum that we consider to be due on the date this notice is served is £38,020.00 exclusive of VAT (the domestic reverse charge applies).

5. The basis on which that sum is calculated is set out in the Schedule to this notice and explained below.

    5.1. Re-laying of the foul drain between MH4 and MH6, £4,200.00. The CCTV survey on 14 September 2026 found a back fall and two displaced joints in the foul drain between MH4 and MH6. The run was re-laid by others at a cost of £4,200.00.

    5.2. Block paving claimed but not laid, Zone B, £6,380.00. The application includes 290 m² of block paving in Zone B. Our inspection on 30 September 2026 found the sub-base complete but no paving laid. 290 m² at the sub-contract rate of £22.00 per m² is £6,380.00.

6. The final date for payment is 17 October 2026. We will pay the sum stated in paragraph 4 (£38,020.00) on or before that date.

We reserve all of our rights under the Contract.

Yours faithfully,

Sarah Whitlock
Commercial Manager
For and on behalf of Morrowby Building Contractors Limited

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Schedule of the basis of calculation (Application No. 6)

Item	Amount
Notified sum	£48,600.00
Less re-laying of the foul drain between MH4 and MH6	(£4,200.00)
Less block paving claimed but not laid, Zone B	(£6,380.00)
Sum considered due on the date of this notice (excluding VAT)	**£38,020.00**

Deductions

Deduction	Amount	Reason and calculation
Re-laying of the foul drain between MH4 and MH6	£4,200.00	The CCTV survey on 14 September 2026 found a back fall and two displaced joints in the foul drain between MH4 and MH6. The run was re-laid by others at a cost of £4,200.00.
Block paving claimed but not laid, Zone B	£6,380.00	The application includes 290 m² of block paving in Zone B. Our inspection on 30 September 2026 found the sub-base complete but no paving laid. 290 m² at the sub-contract rate of £22.00 per m² is £6,380.00.

SAMPLE