Cabinet Office and HM Treasury: Small and Medium-Sized Enterprise (SME) Action Plan

How we are backing your business

Through Backing your business: our plan for small and medium-sized businesses, we are delivering the most comprehensive package of support for small and medium-sized enterprises (SMEs) in a generation.

Growth is this government's number one mission and SMEs are the engine room. Our plan is to make the UK the best place to start and grow a business, with a culture that supports entrepreneurship in every community and high street.

We're delivering:

- the most significant legislation to tackle late payments in over 25 years, giving the UK the strongest legal framework on late payments in the G7

- a new Business Growth Service to simplify finding advice and support, including a new streamlined digital offer – https://www.business.gov.uk/, ending the chop and change of previous government business support programmes

- a package of support tailored to high streets to make it easier for SMEs to set up shop, ranging from a new licensing framework to targeted funding for places

- a massive £4 billion finance boost to increase access to finance for entrepreneurs – to inspire the next generation of small business owners, make the UK the best place to start and grow a business, and build a culture that celebrates and champions entrepreneurs

We also committed to making SMEs a national priority, ensuring they have a fair opportunity to win public contracts and setting ambitious SME targets for each department. Each departmental SME action plan sets the steps government departments are taking to maximise SME and start-up spend across their department and wider agencies. These plans also include departmental targets for direct spend with SMEs and the actions being taken to remove and reduce barriers to SMEs bidding for government contracts.

The Procurement Act 2023 creates a more simple and transparent procurement regime, making it easier for SMEs to do business with the government. This action plan sets out why SMEs should work with us, where to find opportunities, and the actions we are taking to reduce barriers for SMEs in bidding for work.

The plan is monitored through an annual publication (as a minimum) of our direct spend with SMEs as a percentage of our total procurement spend.

SMEs are suppliers that have fewer than 250 staff, and have a turnover of an amount less than or equal to £44 million or a balance sheet total of an amount less than or equal to £38

million. For more information, see Clause 123 of the Procurement Act 2023.

Forewords

Cabinet Office

SMEs are the backbone of our economy, driving innovation and growth across the UK. The Cabinet Office is committed to supporting these businesses and ensuring public procurement supports SMEs where possible.

This SME Action Plan outlines our steps to removing barriers and creating a clear path for SMEs to engage with Government. We have had some successes as shown in our case studies, but this is an ongoing journey, and we are dedicated to continuous improvement with Government Commercial Agency (from April 2026 to be superseded by the Government Commercial Agency) and the wider SME community. By collaborating, we can work towards our direct spend targets, ensuring government procurement reflects the diversity and dynamism of the marketplace. This plan demonstrates our commitment to the value SMEs bring to the public sector and country, and our determination to back British business and SMEs.

Chris Ward - Parliamentary Secretary
Cabinet Office

HM Treasury

Small and medium-sized enterprises are central to the UK's economic strength and resilience. HM Treasury recognises the vital role these businesses play and we are committed to making it easier for them to work directly with us.

This Action Plan sets out how HM Treasury will improve the visibility of upcoming opportunities, remove barriers to participation and increase engagement with SMEs. Our commitment extends beyond the Treasury itself; we will work closely with our arm's-length bodies and partners to widen access and drive new opportunities.

Through these actions, we will foster a more diverse and dynamic supplier base, ensuring that SMEs can contribute fully to our work and to the prosperity of the country.

Lord Livermore - Financial Secretary to the Treasury
HM Treasury

Departmental Overview

The Cabinet Office and HM Treasury work in partnership as the corporate headquarters at the centre of government, taking the lead in critical policy areas.

The Cabinet Office supports the Prime Minister and ensures the effective running of government, coordinating delivery and creating change to provide world-class public services, delivered with maximum value for UK citizens

HM Treasury is the government's economic and finance ministry, maintaining control over public spending, setting the direction of the UK's economic policy and working to achieve strong and sustainable economic growth. SMEs continue to benefit from a range of policies that have been implemented by the department.

This plan outlines the measures we are taking to help SMEs access new opportunities with Cabinet Office, HM Treasury and other government departments, supporting SME growth and economic sustainability.

The plan will be refreshed annually to reflect progress and new actions.

Commercial Operations and Sourcing Arrangements

Cabinet Office and HM Treasury are provided with advice and support by a cross Departmental Commercial Directorate (COHMT Commercial, hereby referred to as "COHMT") which looks to align best practice to secure optimal commercial outcomes.

COHMT work in partnership with Government Commercial Agency ("GCA") and their SME Champion Community to raise awareness and promote available opportunities enabling SMEs to bid for business. This also includes the provision of advice and guidance on how SMEs can join pan-government framework agreements, making sure that any specific requirements are set out clearly for SMEs to understand.

Why SMEs should work with us

Working collaboratively with government brings the benefit of compliance; as well as access to resources, stability, and growth opportunities that are often out of reach for independent businesses. Our mission is to reduce barriers and provide a clear, supportive pathway for SMEs to thrive.

We work closely with GCA to ensure their commercial agreements are accessible to small businesses and reflect the diversity of the marketplace. Where applicable, we procure goods and services through GCA agreements, many of which already contain a healthy representation of SMEs. This means COHMT can either procure directly via these agreements or utilise SME supply chain contributions via lead suppliers. Crucially, we retain

the ability to contract directly with SMEs outside of GCA agreements, should that approach provide the best value for money.

The following benefits for SMEs can be realised through working with COHMT:

- We are determined in our efforts to look across the procurement lifecycle for improvements, including streamlining and simplifying the tender process to be more inclusive and less time-consuming for SMEs.
- We are keen to make use of the flexibilities afforded under the new Procurement Act 2023, to reduce barriers to participation and encourage inclusivity in procurement with SMEs.
- Both Cabinet Office and HM Treasury lead in critical policy areas, representing an opportunity for insight from the SME community to contribute real input towards effective policy-making.
- Direct engagement between COHMT and SMEs (see *Our actions and milestones* section further down the document) can help better understand what SMEs need to have more success bidding for government business.

Along with the benefits from working with COHMT, we are aware that SMEs can often face challenges and barriers when contracting with government departments. Those barriers have been highlighted in the Procurement Act 2023 Covered Procurement Objectives and we look to help SMEs overcome those through working to:

- Increase visibility & accessibility of contract opportunities for small businesses;
- Improving our data & management information (MI) to better understand and boost SME participation in the supply chain;
- More effective engagement with small businesses to encourage feedback and help shape requirements, improve understanding of tender processes and raise awareness of and promote future opportunities;

Further information on how COHMT and other central government departments are supporting small businesses through a range of shared measures can be found on the Small and Medium Business Hub, a dedicated space for SMEs looking to work with the government. Here you will find links to other departmental action plans and centralised guidance on bidding for government work.

Links to departmental commercial opportunities

Direct Opportunities

One of the most important things contracting authorities can do is to provide the market with information about current and future public contract opportunities by publishing a forward-looking procurement pipeline. This is of particular benefit to SMEs, as it provides them with time to plan for future work, ensuring a competitive and diverse market.

The Procurement Act 2023 requires pipeline notices (UK1) to be published on Find a Tender for any intended requirement over £2 million. Cabinet Office and HMT also publish Commercial Pipelines, providing a forward look (up to 18 months) of our requirements, which is reviewed and updated every 6 months, or as necessary.

Cabinet Office Commercial Pipeline – GOV.UK

HMT Commercial Pipeline 2024-25 - GOV.UK

More information can be found at the below links:

- Search and apply for contract opportunities on Find a Tender.
- Read about how to look at the notices, notifications and the use of data

Joining Frameworks / DPS

Joining a commercial agreement, such as a Framework or Dynamic Purchasing System (DPS), can put SMEs in front of buyers actively seeking their services.

- Framework agreements establish terms for future contracts, providing a pool of pre-selected suppliers from which public sector buyers can call off orders.
- DPSs are an "always open" electronic list of pre-qualified suppliers that public sector buyers use to quickly and flexibly purchase goods, services, or works.

Search the Government Commercial Agency commercial agreement pipeline for upcoming Framework and/or DPS agreements

Joining a Supply Chain

By joining our supply chains, SMEs can gain access to larger government contracts that they might not have otherwise been able to secure on their own. We encourage larger prime contractors to utilise the services of Smaller businesses for specific requirements where it makes sense to do so. This provides a valuable opportunity for SMEs to build stronger relationships with larger companies and gain invaluable experience of working with us.

For example, as part of Cabinet Office's Strategic Delivery Partner Contract with CGI, they have a commitment to flow through a minimum 30% of the spend to SMEs in their wider ecosystem of suppliers. The contract includes a specific KPI to measure their performance on this commitment and is monitored on a monthly basis.

Find a Tender provides details of COHMT's supply base and identifies potential prime contractors bidding for large government projects. Reviewing these opportunities will provide SMEs with opportunities to proactively reach out to larger companies and offer services as subcontractors or suppliers. This can be an effective way for SMEs to get

involved in significant projects and establish themselves in the pan-government supply base.

Many industry bodies and trade associations also advertise opportunities in supply chains and we encourage SMEs to explore those opportunities as well.

Further information on how to do business with us is available on our respective websites (CO and HMT).

Departmental supplier events

COHMT are committed to early engagement with the supply market to add value through clarifying procurement requirements, assessing market capacity and developing effective procurement strategies.

We work closely with GCA to support the delivery of both in-person and virtual supplier events across the country.

GCA also has an events page for frameworks, which can be found at the link below:

https://www.gca.gov.uk/events?page=1

Our actions and milestones

This section sets out how COHMT will continue to work with SMEs across the commercial lifecycle. We will do this by taking local action in our procurement activity to increase the participation of SMEs. This is alongside us and SMEs benefitting from the initiatives which are being taken by Government Commercial Agency in this area, and the central policy developments to support SMEs. Collectively these actions should.

1. Give greater visibility of opportunities
2. Increase the participation of SMEs in supply chains
3. Streamline the process for SMEs in participating in procurements

The new Procurement Act 2023 has now been implemented, which will further benefit small businesses. For further information and the intended benefits of the new regime, please see the Transforming Public Procurement pages on GOV.UK available here: Transforming Public Procurement - GOV.UK (www.gov.uk)

Our activity will concentrate on a number of essential and associated improvement actions, with the key objectives of making it easier for SMEs to work with us through simplifying processes, increasing engagement with the SME community and maximising outcomes throughout the supply chain.

We will work primarily on three fronts; the plans and progress against each theme will be reviewed and updated on a regular basis by the COHMT Commercial Directorate. This document will be regularly reviewed, and where in future there are, for example, additional actions which are specific to a particular Arms Length Body (ALB) these will be referenced as such.

Visibility & Accessibility:

COHMT is committed to developing a more systematic integration of SME consideration into our procurement lifecycle in order to deliver our ambitious direct spend targets (see 'Our spend with SMEs').

Our more systematic approach will include reviewing SME pipeline information requirements, along with reviewing pipeline opportunities to identify the most appropriate route to market and contractual structure to improve overall pipeline quality. We then look to improve the inclusivity of government opportunities for SMEs by including SME sections across key commercial documents, ensuring SMEs are considered at the requirement identification stage.

From a review of our third party requirements, we have concluded that a key way in which SMEs will benefit from COHMT Commercial activity will be within supply chains rather than necessarily through direct spend. This will be reflected in the work and reporting which we undertake on Indirect Spend.

Improvement action	Benefit to SMEs	Elements
Give suppliers greater visibility of opportunities which they can bid for	Suppliers can find and navigate potential opportunities more easily	-Use the market engagement events to gain insights / understanding of the priorities and concerns with regard to COHMT pipelines -Update the commercial pipeline where appropriate in response to insight on information requirements obtained from SME feedback -Explore additional routes for promoting opportunities for SMEs and the commercial pipeline more widely (including items which are under £1m)
Improved accessibility of contract opportunities for SMEs	Procurement strategies are developed with SMEs in mind, reducing the barriers to SMEs when bidding for government contracts	Considering SMEs when reviewing Pipeline opportunities and identifying the most appropriate route to market and contractual structure to enable an increase in the level of SME spend.

		Procurement strategies and Commercial Business Cases should include their consideration of opportunities for disaggregation which can then be identified to develop smaller requirements, and encourage the use of SMEs within supply chains.
Reducing barriers and streamlining the procurement process	Supplier's experience of working with government is improved as requirements and projects are developed with SMEs in mind, reducing the barriers to SMEs when bidding for government contracts	-We will make it a requirement to include a SME development plan and target % in all Commercial Category Strategies and Business Cases -Greater consideration of SMEs in our future requirements, including identification of whether the requirements/assurances are necessary (and challenging where necessary to ensure this) -Develop a process to review previous tender documentation samples to review where there may be perceived barriers to SMEs. -Consulting with key stakeholders such as the Cabinet Office SME Crown Representative, other departments and SME suppliers to support this objective
Encourage the use of SMEs in Supply Chains	Increased opportunities for SMEs to work for government	Participation in supply chains will be a key way to increase the level of our spend with SMEs, and this will be reflected in our Indirect Spend reporting and where appropriate to include SME supply chain commitment within the tender documents. We will also continue to work with the central commercial policy team on how this aligns to their initiatives

Data & Management Information (MI):

COHMT will look to employ lessons learned from our management information (MI) and data collection methods to further strengthen our systematic consideration of SMEs in the procurement lifecycle. We aim to better use data insights from our centralised pipeline and contract management system to inform improved data quality and scope from which SME spend data can be gathered and managed.

By understanding patterns in our buying behaviour, we look to identify gaps and any missed opportunities that were not captured through our Visibility and Accessibility actions. By taking a broader perspective than individual requirements we can identify groups of requirements and spend categories that can be concentrated on to be more inclusive to SMEs going forward.

Improvement action	Benefit to SMEs	Elements
Considering SMEs throughout the procurement life cycle	Greater opportunity for SME inclusivity through improved COHMT understanding of SME needs and suitability for government business	-Greater consideration of SME requirements when developing our centralised pipeline and contract management system including: -Early identification of whether requirements are suitable for SMEs as part of initial Cabinet Office Commercial conversations with business units. -Reviewing data where requirements are defined as not suitable for SMEs to ensure assumptions can be challenged
Reviewing data and management information collection	Procurement processes and strategies are more tailored to SME needs	-Review our data and management information to identify categories and specific requirements which can be delivered successfully by SMEs, as well as those categories with potentially more limited options for SME delivery, to develop greater understanding and aim to reduce barriers to SMEs where possible. -Analyse where SMEs can fit into the supply chains across the key categories and consider this in procurement activity
Further alignment of initiatives across the CO, HMT and the ALBs	Greater consistency in the application of initiatives to support SMEs	There is a degree of operational separation of the commercial activity across the CO and HMT families. We will work more closely across CO HMT

	and the ALBs to enhance the effectiveness our approach to increasing our spend with SMEs

Engagement

Through enhanced engagement initiatives, COHMT looks to round off our systematic SME consideration and better inform procurement practices. We intend to reinforce our engagement strategy through working closely with the Government Commercial Agency and effectively engaging with suppliers at key procurement lifecycle stages.

Through various events, we aim to collect valuable information to facilitate process improvements for SMEs, giving suppliers the opportunity to express challenges directly to COHMT Commercial colleagues, and to follow up this engagement through articles published in the GCA' '*Supplier Specifics*' series, broadening communication channels with suppliers and providing key insight across a range of topics to upskill SMEs when bidding for government opportunities. We also plan to learn lessons on procurements across spend categories, obtaining feedback and insight on why suppliers did not engage/experienced difficulties when bidding for government opportunities.

Improvement action	Benefit to SMEs	Elements
Direct events with SMEs (1)	Suppliers can express challenges directly to Cabinet Office Commercial colleagues	Work with GCA on regional 'Meet the Buyer' and Procurement Act 2023 events, collecting valuable information to facilitate process improvements for SMEs
Direct events with SMEs (2)	Suppliers can receive constructive feedback, be upskilled and improve chances of winning government work	Work with GCA on bid writing workshops
Increasing supplier information streams	Further communication channels for suppliers to be upskilled and improve changes of winning government work	Work with GCA on their 'Supplier Specifics' series
Supplier feedback opportunities	Two-way communication opportunities for suppliers with COHMT to better inform procurement practices	Incorporating a follow-up process in live procurements to obtain insight on why SME suppliers did not engage/experienced difficulties when bidding for government opportunities

Actions for Cabinet Office Commercial Policy

Communications and Engagement
CO Commercial Policy will work closely with the Department for Business and Trade on the SME Procurement Education Programme (announced in the Small Business Strategy) to promote, educate and motivate SMEs and VCSEs to compete for public sector business. (Q1 2026/27 onwards)

Hold Prime Suppliers Accountable for Supporting SMEs
CO Markets, Sourcing and Suppliers to host a Roundtable session with government's Strategic Suppliers and Shirley Cooper, SME Crown Representative, to understand the steps underway to support SMEs through government supply chains, hear about future opportunities for SME participation and explore where strategic suppliers could further support small businesses in their supply chains. (By Q1 of FY 2026/27)

Standardisation and Simplification of Tender Forms
CO will explore simplifying and shortening tender and contract documents through the use of AI (Q1 2026/27 onwards)

Where we have made progress

COHMT continually look at ways in which we can improve our operations and set firm foundations from which we can proactively reduce barriers and increase spend with SMEs.

Our progress includes:

4. Appointing SME Champions who act as advocates of small businesses across our departments;

5. Establishing a Delivery and Policy Working Group within COHMT's wider 'Functional Improvement Group' to oversee performance on the implementation of all commercial policies;

6. Publishing commercial pipelines detailing opportunities to work with Cabinet Office and HM Treasury;

7. Actively using our centralised pipeline and contract management system to allow us to track opportunities for SMEs and be more inclusive in the requirement conception stage, challenging requirements where the use of SMEs has not been considered;

8. Taking a wider role in working with government to capture and improve the quality of spend data, ensure effective performance management, share best practice and ensure effective stakeholder management with SMEs.

9. Establishing effective engagement across spend categories, to gain sector-specific expertise, and engaging with other SME Champion communities across government departments.

Case studies

The following case studies demonstrate a few examples of SMEs who have successfully competed and won work with Cabinet Office and HM Treasury:

Case Study 1: A boutique technology management consultancy SME, was involved in a competitive procurement for professional services involving the delivery of urgent digital and data Requirements.

Feedback

- The SME described the procurement process as straightforward and effective, with a proportionate level of supplier effort to potential contract value (very important to an SME with limited bid resources and capacity).
- They stated that the questions directly reflected the requirement, ensuring that it was perceived as a genuine opportunity where they stood a realistic chance of being successful.
- The contract award was also described as straightforward, and delivery commenced within a couple of weeks of award.
- Delivery under this contract was via a series of work-packages, each with agreed scope and charges, which was straightforward, clear, and easy to manage commercially from the perspective of the SME.
- The supplier had also submitted a proposal for another tender, for which they were unsuccessful, but noted that unsuccessful bidder feedback was clear and comprehensive. This meant that whilst they were disappointed, the feedback gave the SME confidence that they had truly been successful on their own merits in the first competition, as well as providing actionable feedback on where to improve future bids
- The Supplier's Technical Ability Certificates were also confirmed for GCA framework submissions, which was described as being vital to SMEs.

Case Study 2: An SME supplier was awarded a contract to deliver learning for a cross government upskilling programme called the AI Talent Accelerator Programme (AITAP) for Machine Learning Engineers .

Feedback

- The SME described their engagement with the COHMT Commercial as positive and encouraging.
- The procurement and contract award process were described as clear, accessible and well-structured, making it straightforward for a small business to navigate.

- Communication was described as regular from the outset, particularly around timelines and next steps. This helped manage internal resources and plan effectively.
- The regulatory requirements, which were described as a frequent barrier to SMEs, were broken down in a simple and digestible way. This clarity allowed the SME to focus on demonstrating their expertise in response to the RFP, rather than getting caught up in complex compliance procedures.
- Responses to clarification questions during the procurement phase were described as being prompt, flexible and helpful during the process, giving the SME confidence that the process was open, fair and supportive.
- Overall, the supplier suggested that their experience gave them confidence that SMEs are able to compete on a level playing field in government procurement.
- They suggested the above created an environment where they could focus on demonstrating their value and innovation.

Case Study 3: A small business running research, insight and strategy programmes, was successful in securing an important contract for research and polling services to help build a better understanding of public and business opinions relating to the impact of central government policies and activities.

Feedback

- The contract was awarded through a GCA framework agreement where procurement processes are simplified as much as possible to ensure SMEs experience a level playing field.
- The way the procurement process was structured and managed gave suppliers the ability to focus on demonstrating how their proposed solutions for service delivery would enable best value for money for UK citizens.
- The procurement process enabled suppliers to be as competitive as possible and demonstrate innovation and creativity in their proposed solutions.

Case Study 4: A number of high profile Executive Search requirements have been serviced by SMEs over the past 12 months including for the appointment of the government's COVID-19 Counter-Fraud Commissioner.

Feedback

10. Services were procured through GCA frameworks where procurement processes are simplified as much as possible to ensure a level playing field for SMEs

11. The department particularly benefits from engagement with SMEs for these requirements given the specialist expertise they have developed in this category and can better service more bespoke needs.

Our spend with SMEs

The National Procurement Policy Statement (NPPS), published in February 2025, set out the intention to support the mission to kickstart economic growth by increasing the procurement spend with SMEs. To implement the NPPS in Central Government, all government departments and their executive agencies and non-departmental public bodies are required to set three-year targets for direct spend with SMEs from 1 April 2025, and from 1 April 2026 for VCSEs, and publish progress annually.

Cabinet Office has set the target of 30% procurement expenditure to be with SMEs by the end of the 2027/28 financial year. This is acknowledged to be a challenging target. It is also known that the ability to meet the 30% target could be impacted by any Machinery of Government changes and/or if there are status changes of some of the larger SME suppliers to CO (such as through acquisition which results in them no longer being SMEs). Cabinet Office will reflect any such material impacts in its annual reporting for this target.

HM Treasury has set the target of 22% procurement expenditure to be with SMEs by the end of the 2027/28 financial year.

Through the COHMT Commercial Directorate, both departments will work together to ensure that the actions referenced in this plan deliver progress towards the above direct spend targets by the end of the 2027/28 financial year.

Cabinet Office

From 2024/25, the reporting scope was extended to include the procurement expenditure of the CO ALBs Government Property Agency (GPA), Government Commercial Agency and the Equalities and Human Rights Commission. The 2024/25 figures, both excluding and including these, are shown below

Financial year	Total procurement spend (£)	Direct spend with SMEs (£)	Direct spend with SMEs %
2019/20	£457m	£42m	9.3%
2020/21	£1093m*	£184m	16.9%
2021/22	£680m	£179m	26.3%
2022/23	£430m	£114m	26.4%
2023/24	£459m	£103m	22.4%
2024/25	CO - £427m	£96m	22.5%

	Including ALBs - is £902m	including ALBs - is £200m	including ALBs - is 22.1%
2025/26	Total £ 927 m CO: £334m GPA: £536m	Total: £ 154m CO: £64m GPA: £82m	Total CO:16.6% CO:19.2% GPA: 15.2%

HM Treasury

Financial year	Total procurement spend (£)	Direct spend with SMEs (£)	Direct spend with SMEs %
2019/20	£80m	£11m	13.8%
2020/21	£105m	£11m	10.8%
2021/22	£90.6m	16.8m	18.5%
2022/23	£101.7m	£25.8m	25.4%
2023/24	£75.4m	£14.2m	18.8%
2024/25	£77.2m	£11.1m	14.4%
2025/26	£87.5m	£11.7m	13.4%

Indirect Spend (where applicable)

Cabinet Office

Financial year	Total procurement spend (£)	Indirect spend with SMEs (£)	Indirect spend with SMEs %
2019/20	£457m	£29m	6.3%
2020/21	£1093m*	£52m	4.8%
2021/22	£680m	£70m	10.3%
2022/23	£430m	£14m[1]	3.3%
2023/24	£459m	£14m[2]	3.3%
2024/25	CO - £427m	£9.2m	2.8%
2025/26	£ 927 m	Not yet available	Not yet available

[1] This is the Indirect Spend with SMEs through the analysis of the procurement spend with the Strategic Suppliers to government, it does not cover all Indirect spend with SMEs
[2] This is the Indirect Spend with SMEs through the analysis of the procurement spend with the Strategic Suppliers to government, it does not cover all Indirect spend with SMEs

HM Treasury

Financial year	Total procurement spend (£)	Indirect spend with SMEs (£)	Indirect spend with SMEs %
2019/20	£80m	£1.84m	2.3%
2020/21	£105m	£6m	6.2%
2021/22	£90.6m	£3m	3.3%
2022/23	£101.7m	£478k	0.5%
2023/24	£75.4m	Not yet available	Not yet available
2024/25	£77.2m	Not yet available	Not yet available
2025/2026	£87.5m	Not yet available	Not yet available

View historical central government spend with SMEs

Our payment performance

The government recognises that the public sector should set a strong example by paying suppliers promptly. Late payment causes issues for businesses, especially smaller businesses, by adversely affecting supplier cash flow and jeopardising their ability to trade. The public sector is required to pay their suppliers in 30 days and report on their performance on an annual basis. The 30-day terms also apply in public sector supply chains.

The latest payment performance for Cabinet Office and HM Treasury is set out below:

Cabinet Office

The latest prompt payment data, covering Q1 Financial Year 25/26, reported the following:

- 84% of invoices were paid within 5 days
- 96% of invoices were paid within 30 days

The prompt payment data, covering Financial Year 24/25, reported:

	Invoices paid within 5 days	Invoices paid within 30 days
Q1	84%	96%
Q2	84%	96%
Q3	86%	97%
Q4	84%	96%

Cabinet Office payment statistics can be found on GOV.UK

View further information on government's payment policy and legislation

HM Treasury

The latest prompt payment data, covering Q1 Financial Year 25/26, reported the following:

- 95% of invoices were paid within 5 days
- 99% of invoices were paid within 30 days

The prompt payment data, covering Financial Year 24/25, reported:

	Invoices paid within 5 days	Invoices paid within 30 days
Q1	95%	99%
Q2	95%	99%
Q3	95%	99%
Q4	88%	92%

Contact us

Commercial@cabinetoffice.gov.uk

commercial@hmtreasury.gov.uk